

## HB 1452 -- DOMESTICATION OF LIMITED LIABILITY COMPANIES

SPONSOR: Kimble

The Missouri Secretary of State's Office (MO SoS) will charge and collect a fee of \$100 from applicants filing a statement of domestication of limited liability companies to obtain a certificate of registration to transact business in this State (Section 347.179, RSMo).

The bill provides that a domestic entity, as defined in the bill, can become a domestic entity of the same type in a foreign jurisdiction if the domestication is authorized by the law of the foreign jurisdiction. In addition, a foreign entity, as defined in the bill, can become a domestic entity in Missouri if the domestication is allowed by the law where the foreign entity was organized. If a protected agreement, as defined in the bill, includes a provision that applies to a merger of a domestic entity but does not refer to domestication, the provision applies as if the domestication was a merger (Section 347.202).

A domestic entity can become a foreign entity in a domestication by the approval of a plan of domestication. The information to be included in the plan is detailed in the bill (Section 347.204).

The bill includes provisions relating to the approval of a plan of domestication for it to be effective (Section 347.206).

Similarly, the bill contains provisions for amending a plan of domestication of a domestic domesticating entity, which would be in the same manner as approval of the plan, or if the plan does not provide for the manner of amendment, by the governors or interest holders of the entity as set out in the plan. Further, after approval of a plan of domestication by a domestic domesticating entity and before a statement of domestication becomes effective, the plan can be abandoned as indicated in the bill. If abandoned, a statement of abandonment needs to be filed with the MO SoS office before the statement of domestication becomes effective (Section 347.208).

The statement of domestication must be signed and filed with the MO SoS office. The bill includes the information that needs to be included in the statement of domestication (Section 347.210).

When a domestication becomes effective, the domesticated entity is organized under and subject to the organic law, as defined in the bill, of the domesticated entity. All property of the domesticating entity continues to be vested in the domesticated entity. The liabilities of the domesticating entity continue as

liabilities of the domesticated entity. All rights, privileges, immunities, powers, and purposes of the domesticating entity remain in the domesticated entity. The name of the domesticated entity can be substituted for the name of the domesticating entity in any pending action. If the domesticated entity is a filing entity, its public organic document is effective and binding on its interest holders. Further, the interest holders of the domesticating entity are entitled only to the rights provided in the plan of domestication and the domesticating entity's organic law. The bill includes provisions that apply when a domestication becomes effective. In addition, the bill includes requirements for a foreign entity that is the domesticated entity, when a domestication becomes effective.

If the domesticating entity is a qualified foreign entity, the certificate of authority is canceled when the domestication becomes effective. A domestication does not require the entity to wind up its affairs and does not constitute or cause the dissolution of the entity (Section 347.212).

Copies of documents that are filed with the MO SoS office when certified under seal by the SoS office are received by the courts, public offices, and official bodies as prima facie evidence of the evidence of facts stated in the documents. The MO SoS office will provide the forms for the filing of the documents. Rule making authority has been given to the MO SoS office (Section 347.214).