

AN ACT concerning business.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Entity Omnibus Act is amended by changing Sections 103, 202, 203, 205, 206, 302, 305, and 306 and by adding Sections 110 and 111 as follows:

(805 ILCS 415/103)

Sec. 103. Relationship of Act to other laws.

(a) Unless displaced by particular provisions of this Act or the organic law, the principles of law and equity supplement this Act.

(b) This Act does not authorize an act prohibited by, and does not affect, the application or requirements of law, other than this Act.

(c) A transaction effected under this Act may not create or impair any right or obligation on the part of a person under a provision of the law of this State other than this Act relating to a transaction involving a converting or domesticating entity unless:

(1) in the event the entity does not survive the transaction, the transaction satisfies any requirements of the provision; or

(2) in the event the entity survives the transaction,

the approval of the plan is by a vote of the interest holders or governors which would be sufficient to create or impair the right or obligation directly under the provision.

(Source: P.A. 100-561, eff. 7-1-18.)

(805 ILCS 415/110 new)

Sec. 110. Interrogatories to be propounded by the Secretary of State.

(a) The Secretary of State may propound to any entity, domestic or foreign, subject to the provisions of this Act, and to any governor or interest holder thereof, such interrogatories as may be reasonably necessary and proper to enable the Secretary to ascertain whether the entity has complied with all the provisions of this Act applicable to the entity. The interrogatories shall be answered within 30 days after the mailing thereof, or within such additional time as shall be fixed by the Secretary of State, and the answers thereto shall be full and complete and shall be made in writing and under oath. If the interrogatories are directed to an individual, they shall be answered by him or her, and if directed to an entity, they shall be answered by the governor or interest holder thereof. The Secretary of State need not file any document to which the interrogatories relate until the interrogatories are answered as herein provided, and not then if the answers thereto disclose that the document is not in

conformity with the provisions of this Act. The Secretary of State shall certify to the Attorney General, for such action as the Attorney General may deem appropriate, all interrogatories and answers thereto that disclose a violation of any of the provisions of this Act.

(b) Interrogatories propounded by the Secretary of State and the answers thereto shall not be open to public inspection nor shall the Secretary of State disclose any facts or information obtained therefrom except in so far as official duty may require the same to be made public or if the interrogatories or the answers thereto are required for evidence in any criminal proceeding or in any other action by the State.

(805 ILCS 415/111 new)

Sec. 111. Application of other Acts. The Business Corporation Act of 1983, the General Not For Profit Corporation Act of 1986, the Limited Liability Company Act, the Uniform Limited Partnership Act (2001), and the Uniform Partnership Act (1997), as now or hereafter amended, shall govern all matters related to the entities named in each of those Acts and in this Act except where inconsistent with the letter and purpose of this Act. This Act controls in the event of any conflict with the provisions of the above-named Acts or other laws.

(805 ILCS 415/202)

Sec. 202. Plan of conversion.

(a) A domestic entity may convert to a different type of entity under this Article by approving a plan of conversion.

The plan must be in a record and contain:

- (1) the name and type of the converting entity;
 - (2) the name, jurisdiction of organization, and type of the converted entity;
 - (3) the manner of converting the interests in the converting entity into interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing;
 - (4) the proposed public organic document of the converted entity if it will be a filing entity;
 - (5) the full text of the private organic rules of the converted entity that are proposed to be in a record;
 - (6) the other terms and conditions of the conversion;
- and
- (7) any other provision required by the law of this State or the organic rules of the converting entity.

(b) A plan of conversion may contain any other provision not prohibited by law.

(c) The entity shall maintain the plan of conversion in accordance with the entity's policy for maintaining books and records.

(Source: P.A. 100-561, eff. 7-1-18.)

(805 ILCS 415/203)

Sec. 203. Approval of conversion.

(a) A plan of conversion is not effective unless it has been approved:

(1) by a domestic converting entity:

(A) in accordance with the requirements, if any, in its organic rules for approval of a conversion;

(B) if its organic rules do not provide for approval of a conversion, in accordance with the requirements, if any, in its organic law and organic rules for approval of:

(i) in the case of an entity that is not a business corporation, a merger, as if the conversion were a merger; or

(ii) in the case of a business corporation, a merger requiring approval by a vote of the interest holders of the business corporation, as if the conversion were that type of merger; or

(C) if neither its organic law nor organic rules provide for approval of a conversion or a merger described in subparagraph (B)(ii), by all of the interest holders of the entity entitled to vote on or consent to any matter; and

(2) in a record, by each interest holder of a domestic converting entity that will have interest holder liability for liabilities that arise after the conversion becomes

~~effective, unless, in the case of an entity that is not a business or nonprofit corporation:~~

~~(A) the organic rules of the entity provide in a record for the approval of a conversion or a merger in which some or all of its interest holders become subject to interest holder liability by the vote or consent of fewer than all of the interest holders; and~~

~~(B) the interest holder voted for or consented in a record to that provision of the organic rules or became an interest holder after the adoption of that provision.~~

(b) A conversion of a foreign converting entity is not effective unless it is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of organization.

(Source: P.A. 100-561, eff. 7-1-18.)

(805 ILCS 415/205)

Sec. 205. Statement of conversion; effective date.

(a) A statement of conversion must be signed on behalf of the converting entity and filed with the Secretary of State.

(b) A statement of conversion must contain:

(1) the name and type of the converting entity;

(2) the name and type of the converted entity;

(3) if the statement of conversion is not to be effective upon filing, the later date and time on which it

will become effective, which may not be more than 90 days after the date of filing;

(4) a statement that the plan of conversion was approved in accordance with this Article;

(5) the text of the converted entity's public organic document, as an attachment, signed by a person authorized by the entity; and

(6) if the converted entity is a domestic limited liability partnership, the text of its statement of qualification, as an attachment, signed by a person authorized by the entity.

(c) In addition to the requirements of subsection (b), a statement of conversion may contain any other provision not prohibited by law.

(d) If the converted entity is a domestic entity, its public organic document, if any, must satisfy the requirements of the law of this State and may omit any provision that is not required to be included in a restatement of the public organic document.

(e) (Blank). ~~A plan of conversion that is signed on behalf of a domestic converting entity and meets all of the requirements of subsection (b) may be filed with the Secretary of State instead of a statement of conversion and upon filing has the same effect. If a plan of conversion is filed as provided in this subsection, references in this Act to a statement of conversion refer to the plan of conversion filed~~

~~under this subsection.~~

(f) A statement of conversion becomes effective upon the date and time of filing or the later date and time specified in the statement of conversion.

(Source: P.A. 100-561, eff. 7-1-18.)

(805 ILCS 415/206)

Sec. 206. Effect of conversion.

(a) When a conversion becomes effective:

(1) the converted entity is:

(A) organized under and subject to the organic law of the converted entity; and

(B) the same entity without interruption as the converting entity, even though the organic law of the converted entity ~~to may~~ require or allow the name of the converted entity may be modified ~~based on the type of entity;~~

(2) all property of the converting entity continues to be vested in the converted entity without assignment, reversion, or impairment;

(3) all liabilities of the converting entity continue as liabilities of the converted entity;

(4) except as provided by law other than this Act or the plan of conversion, all of the rights, privileges, immunities, powers, and purposes of the converting entity remain in the converted entity;

(5) the name of the converted entity may be substituted for the name of the converting entity in any pending action or proceeding;

(6) if a converted entity is a filing entity, its public organic document is effective and is binding on its interest holders;

(7) if the converted entity is a limited liability partnership, its statement of qualification is effective simultaneously;

(8) the private organic rules of the converted entity that are to be in a record, if any, approved as part of the plan of conversion are effective and are binding on and enforceable by:

(A) its interest holders; and

(B) in the case of a converted entity that is not a business corporation or nonprofit corporation, any other person that is a party to an agreement that is part of the entity's private organic rules; and

(9) the interests in the converting entity are converted, and the interest holders of the converting entity are entitled only to the rights provided to them under the plan of conversion and to any appraisal rights they have under Section 109 and the converting entity's organic law.

(b) Except as otherwise provided in the organic law or organic rules of the converting entity, the conversion does not

give rise to any rights that an interest holder, governor, or third party would otherwise have upon a dissolution, liquidation, or winding-up of the converting entity.

(c) When a conversion becomes effective, a person that did not have interest holder liability with respect to the converting entity and that becomes subject to interest holder liability with respect to a domestic entity as a result of a conversion has interest holder liability only to the extent provided by the organic law of the entity and only for those liabilities that arise after the conversion becomes effective.

(d) When a conversion becomes effective:

(1) the conversion does not discharge any interest holder liability under the organic law of a domestic converting entity to the extent the interest holder liability arose before the conversion became effective;

(2) a person does not have interest holder liability under the organic law of a domestic converting entity for any liability that arises after the conversion becomes effective;

(3) the organic law of a domestic converting entity continues to apply to the release, collection, or discharge of any interest holder liability preserved under paragraph (1) as if the conversion had not occurred; and

(4) a person has whatever rights of contribution from any other person as are provided by the organic law or organic rules of the domestic converting entity with

respect to any interest holder liability preserved under paragraph (1) as if the conversion had not occurred.

(e) When a conversion becomes effective, a foreign entity that is the converted entity:

(1) may be served with process in this State for the collection and enforcement of any of its liabilities; and

(2) appoints the Secretary of State as its agent for service of process for collecting or enforcing those liabilities.

(f) If the converting entity is a qualified foreign entity, the certificate of authority or other foreign qualification of the converting entity is canceled when the conversion becomes effective.

(g) A conversion does not require the entity to wind up its affairs and does not constitute or cause the dissolution of the entity.

(Source: P.A. 100-561, eff. 7-1-18.)

(805 ILCS 415/302)

Sec. 302. Plan of domestication.

(a) A domestic entity may become a foreign entity in a domestication by approving a plan of domestication. The plan must be in a record and contain:

(1) the name and type of the domesticating entity;

(2) the name and jurisdiction of organization of the domesticated entity;

(3) the manner of converting the interests in the domesticating entity into interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing;

(4) the proposed public organic document of the domesticated entity if it is a filing entity;

(5) the full text of the private organic rules of the domesticated entity that are proposed to be in a record;

(6) the other terms and conditions of the domestication; and

(7) any other provision required by the law of this State or the organic rules of the domesticating entity.

(b) A plan of domestication may contain any other provision not prohibited by law.

(c) The entity shall maintain the plan of domestication in accordance with the entity's policy for maintaining books and records.

(Source: P.A. 100-561, eff. 7-1-18.)

(805 ILCS 415/305)

Sec. 305. Statement of domestication; effective date.

(a) A statement of domestication must be signed on behalf of the domesticating entity and filed with the Secretary of State.

(b) A statement of domestication must contain:

(1) the name, jurisdiction of organization, and type of the domesticating entity;

(2) the name and jurisdiction of organization of the domesticated entity;

(3) if the statement of domestication is not to be effective upon filing, the later date and time on which it will become effective, which may not be more than 30 ~~90~~ days after the date of filing;

(4) if the domesticating entity is a domestic entity, a statement that the plan of domestication was approved in accordance with this Article or, if the domesticating entity is a foreign entity, a statement that the domestication was approved in accordance with the law of its jurisdiction of organization;

(5) if the domesticated entity is a domestic filing entity, its public organic document, as an attachment signed by a person authorized by the entity;

(6) if the domesticated entity is a domestic limited liability partnership, its statement of qualification, as an attachment; and

(7) if the domesticated entity is a foreign entity that is not a qualified foreign entity, a mailing address to which the Secretary of State may send any process served on the Secretary of State pursuant to subsection (e) of Section 306.

(c) In addition to the requirements of subsection (b), a

statement of domestication may contain any other provision not prohibited by law.

(d) If the domesticated entity is a domestic entity, its public organic document, if any, must satisfy the requirements of the law of this State and may omit any provision that is not required to be included in a restatement of the public organic document.

(e) A statement of domestication becomes effective upon the date and time of filing or the later date and time specified in the statement of domestication.

(Source: P.A. 100-561, eff. 7-1-18.)

(805 ILCS 415/306)

Sec. 306. Effect of domestication.

(a) When a domestication becomes effective:

(1) the domesticated entity is:

(A) organized under and subject to the organic law of the domesticated entity; and

(B) the same entity without interruption as the domesticating entity, even though the organic law of the domesticated entity may require or allow the name of the domesticated entity to be modified;

(2) all property of the domesticating entity continues to be vested in the domesticated entity without assignment, reversion, or impairment;

(3) all liabilities of the domesticating entity

continue as liabilities of the domesticated entity;

(4) except as provided by law other than this Act or the plan of domestication, all of the rights, privileges, immunities, powers, and purposes of the domesticating entity remain in the domesticated entity;

(5) the name of the domesticated entity may be substituted for the name of the domesticating entity in any pending action or proceeding;

(6) if the domesticated entity is a filing entity, its public organic document is effective and is binding on its interest holders;

(7) the private organic rules of the domesticated entity that are to be in a record, if any, approved as part of the plan of domestication are effective and are binding on and enforceable by:

(A) its interest holders; and

(B) in the case of a domesticated entity that is not a business corporation or nonprofit corporation, any other person that is a party to an agreement that is part of the domesticated entity's private organic rules; and

(8) the interests in the domesticating entity are converted to the extent and as approved in connection with the domestication, and the interest holders of the domesticating entity are entitled only to the rights provided to them under the plan of domestication and to any

appraisal rights they have under Section 109 and the domesticating entity's organic law.

(b) Except as otherwise provided in the organic law or organic rules of the domesticating entity, the domestication does not give rise to any rights that an interest holder, governor, or third party would otherwise have upon a dissolution, liquidation, or winding-up of the domesticating entity.

(c) When a domestication becomes effective, a person that did not have interest holder liability with respect to the domesticating entity and that becomes subject to interest holder liability with respect to a domestic entity as a result of the domestication has interest holder liability only to the extent provided by the organic law of the entity and only for those liabilities that arise after the domestication becomes effective.

(d) When a domestication becomes effective:

(1) the domestication does not discharge any interest holder liability under the organic law of a domestic domesticating entity to the extent the interest holder liability arose before the domestication became effective;

(2) a person does not have interest holder liability under the organic law of a domestic domesticating entity for any liability that arises after the domestication becomes effective;

(3) the organic law of a domestic domesticating entity

continues to apply to the release, collection, or discharge of any interest holder liability preserved under paragraph (1) as if the domestication had not occurred; and

(4) a person has whatever rights of contribution from any other person as are provided by the organic law or organic rules of a domestic domesticating entity with respect to any interest holder liability preserved under paragraph (1) as if the domestication had not occurred.

(e) When a domestication becomes effective, a foreign entity that is the domesticated entity:

(1) may be served with process in this State for the collection and enforcement of any of its liabilities; and

(2) appoints the Secretary of State as its agent for service of process for collecting or enforcing those liabilities.

(f) If the domesticating entity is a qualified foreign entity, the certificate of authority or other foreign qualification of the domesticating entity is canceled when the domestication becomes effective.

(g) A domestication does not require the entity to wind up its affairs and does not constitute or cause the dissolution of the entity.

(Source: P.A. 100-561, eff. 7-1-18.)

Section 99. Effective date. This Act takes effect July 1, 2019.