

§935. Effect of nonprofit conversion

1. Conversion to domestic nonprofit corporation. When the conversion of a domestic business corporation to a domestic nonprofit corporation, referred to in this subsection as the "corporation," becomes effective:

A. The title to all real and personal property, both tangible and intangible, of the domestic business corporation remains in the corporation without reversion or impairment; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. The liabilities of the domestic business corporation remain the liabilities of the corporation; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. An action or proceeding pending against the domestic business corporation continues against the corporation as if the conversion had not occurred; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

D. The articles of nonprofit conversion, or the articles of incorporation attached to the articles of nonprofit conversion, constitute the articles of incorporation of the corporation; [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

E. The shares of the corporation are reclassified into memberships, securities, obligations, rights to acquire memberships or securities or into cash or other property in accordance with the plan of conversion, and the shareholders are entitled only to the rights provided in the plan of nonprofit conversion or to any rights they may have under chapter 13; and [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

F. The corporation is deemed to:

(1) Be a domestic nonprofit corporation for all purposes;

(2) Be the same corporation without interruption as the domestic business corporation; and

(3) Have been incorporated on the date that it was originally incorporated as a domestic business corporation. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Conversion to foreign nonprofit corporation. When the conversion of a domestic business corporation to a foreign nonprofit corporation becomes effective, that foreign nonprofit corporation is deemed to:

A. Appoint the Secretary of State as its agent for service of process in a proceeding to enforce the rights of shareholders who exercise appraisal rights in connection with the conversion and that domestic business corporation shall provide a mailing address to which the Secretary of State may mail a copy of any process served on the Secretary of State; and [PL 2003, c. 344, Pt. B, §84 (AMD).]

B. Agree to promptly pay the amount, if any, to which the shareholders are entitled under chapter 13. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]
[PL 2003, c. 344, Pt. B, §84 (AMD).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B84 (AMD).

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