

AMENDED IN ASSEMBLY JUNE 19, 2012

AMENDED IN SENATE MAY 29, 2012

AMENDED IN SENATE APRIL 24, 2012

AMENDED IN SENATE MARCH 29, 2012

SENATE BILL

No. 1532

Introduced by Senator Pavley

February 24, 2012

An act to amend Section 2103 of the Code of Civil Procedure, to amend Sections 110, 202, 900, 902, 910, 1505, 2105, 2602, 5008, 5008.6, 5130, 5810, 5812, 5813.5, 5819, 7130, 7810, 7812, 7813.5, 7819, 8810, 9130, 9621, 9913, 12214, 12310, 12500, 12502, 12504, 12510, 12570, 13226, 15901.16, 15902.01, 15909.02, 16303, 16309, 16953, 16959, 17051, 17054, 17060, 17062, 17451, 17454, 17654, and 18200 of, to repeal Part 8 (commencing with Section 14350) of, and to repeal Part 10 (commencing with Section 14450) of, Division 3 of Title 1 of, the Corporations Code, to amend Section 14101 of the Financial Code, and to amend Sections 12178.1, 12185, and 12191 of the Government Code, relating to business filings.

LEGISLATIVE COUNSEL'S DIGEST

SB 1532, as amended, Pavley. Business filings.

(1) Existing law provides for the formation and governance of various business entities, including, but not limited to, limited liability companies, limited liability partnerships, and corporations. Existing law requires a business entity to file specified documents disclosing information regarding the entity with the Secretary of State. Existing law specifies the information to be provided by business entities in the filings, including, but not limited to, the address of their principal office.

This bill would specify that the required address information is the initial street address, and would require the business entity to provide its initial mailing address, if different from its street address.

(2) Under existing law, a corporation may amend or restate its articles of incorporation, as specified, but shall not amend its articles to alter any statement which may appear in its original articles of the names and addresses of the first directors or initial agent for service of process. Existing law requires approval by a corporation's members or shareholders to amend the corporation's articles, except that an amendment deleting those names and addresses may be approved by the board alone. Under existing law, a corporation that restates its articles shall omit those names and addresses, except as specified.

This bill would apply the same provisions to the initial street address and initial mailing address of a corporation *and would prohibit a corporation from amending its articles to add any statement, in addition to altering any statement, regarding the above information.*

(3) Under existing law, a public benefit corporation, mutual benefit corporation, or religious corporation may amend its articles to change its status to a different corporate form. Existing law requires the amended articles to contain information that would have been required in original articles of incorporation for the new corporate form, except the names and addresses of the first directors, if applicable, and of the initial agent for service of process.

This bill would include in that exception the corporation's initial street address and initial mailing address.

(4) Existing law prohibits a corporation from constructing, or taking tolls on, a bridge, ferry, wharf, chute, or pier until that authority has been granted by the board of supervisors, or other governing body, as appropriate. Existing law specifies the circumstances and timeframes under which these corporations may dissolve. Existing law requires the president and secretary of each of those corporations to report annually to the board of supervisors, or other governing body having authority, as specified, certain information about the corporation's operations. Existing law provides for the formation and operation of water and canal corporations for the purpose of supplying water to cities and towns, and specifies the circumstances under which these corporations may impose a charge for water supply services.

This bill would eliminate the above provisions pertaining to those forms of special purpose corporations.

(5) Existing law specifies the manner in which the secretary shall maintain forms filed with the secretary, including requirements that the secretary cause specified federal lien notice filings to be marked, held, and indexed in accordance with specified provisions of the Commercial Code. Existing law requires the secretary to return to an unincorporated association a copy of a statement, noting the file number and filing date, filed by the association. Existing law requires that upon receipt of a filing pursuant to the Corporations Code, accompanied by a fee of \$25 or more, the secretary shall compare and certify 2 copies of the filing free of charge, provided the copies were submitted with the original filing.

This bill would revise those requirements, as specified. The bill would state the findings, declarations, and intent of the Legislature. The bill would also make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

3 (1) Businesses file many documents with the Secretary of State.

4 (2) The current filing process is manual, very time consuming,
5 and paper intensive for the Secretary of State and businesses.

6 (3) California Business Connect will replace the manual, time
7 consuming, and paper-intensive process with a program that will
8 allow businesses to file documents and request records via the
9 Internet at any time of day.

10 (4) Existing law needs to be updated and standardized to more
11 efficiently facilitate the development of California Business
12 Connect.

13 (b) It is the intent of the Legislature to amend applicable
14 provisions of existing law to make it easier and less expensive for
15 the Secretary of State’s office to design and build California
16 Business Connect.

17 SEC. 2. Section 2103 of the Code of Civil Procedure is
18 amended to read:

19 2103. (a) If a notice of federal lien, a refiling of a notice of
20 federal lien, or a notice of revocation of any certificate described
21 in subdivision (b) is presented to a filing officer who is:

1 (1) The Secretary of State, he or she shall cause the notice to
2 be filed, indexed, and marked in accordance with the provisions
3 of Sections 9515, 9516, and 9522 of the Commercial Code as if
4 the notice were a financing statement within the meaning of that
5 code; or

6 (2) A county recorder, he or she shall accept for filing, file for
7 record in the manner set forth in Section 27320 of the Government
8 Code, and index the document by the name of the person against
9 whose interest the lien applies in the general index.

10 (b) If a certificate of release, nonattachment, discharge, or
11 subordination of any lien is presented to the Secretary of State for
12 filing he or she shall:

13 (1) Cause a certificate of release or nonattachment to be filed,
14 indexed, and marked as if the certificate were a termination
15 statement within the meaning of the Commercial Code.

16 (2) Cause a certificate of discharge or subordination to be filed,
17 indexed, and marked as if the certificate were a release of collateral
18 within the meaning of the Commercial Code.

19 (c) If a refiled notice of federal lien referred to in subdivision
20 (a) or any of the certificates or notices referred to in subdivision
21 (b) is presented for filing to a county recorder, he or she shall
22 accept for filing, file for record in the manner set forth in Section
23 27320 of the Government Code, and index the document by the
24 name of the person against whose interest the lien applies in the
25 general index.

26 (d) Upon request of any person, the filing officer shall issue his
27 or her certificate showing whether there is on file, on the date and
28 hour stated therein, any notice of lien or certificate or notice
29 affecting any lien filed after January 1, 1968, under this title or
30 former Chapter 14 (commencing with Section 7200) of Division
31 7 of Title 1 of the Government Code, naming a particular person,
32 and if a notice or certificate is on file, giving the date and hour of
33 filing of each notice or certificate. Upon request, the filing officer
34 shall furnish a copy of any notice of federal lien, or notice or
35 certificate affecting a federal lien. If the filing officer is a county
36 recorder, the fee for a certificate for each name searched shall be
37 set by the filing officer in an amount that covers actual costs, and
38 the fee for copies shall be in accordance with Section 27366 of the
39 Government Code. If the filing officer is the Secretary of State,
40 the certificate shall be issued as part of a combined certificate

1 pursuant to Section 9528 of the Commercial Code, and the fee for
2 the certificate and copies shall be in accordance with that section.

3 SEC. 3. Section 110 of the Corporations Code is amended to
4 read:

5 110. (a) Upon receipt of any instrument by the Secretary of
6 State for filing pursuant to this division, if it conforms to law, it
7 shall be filed by, and in the office of, the Secretary of State and
8 the date of filing endorsed thereon. Except for instruments filed
9 pursuant to Section 1502, the date of filing shall be the date the
10 instrument is received by the Secretary of State unless the
11 instrument provides that it is to be withheld from filing until a
12 future date or unless in the judgment of the Secretary of State the
13 filing is intended to be coordinated with the filing of some other
14 corporate document which cannot be filed. The Secretary of State
15 shall file a document as of any requested future date not more than
16 90 days after its receipt, including a Saturday, Sunday, or legal
17 holiday, if the document is received in the Secretary of State's
18 office at least one business day prior to the requested date of filing.
19 An instrument does not fail to conform to law because it is not
20 accompanied by the full filing fee if the unpaid portion of the fee
21 does not exceed the limits established by the policy of the Secretary
22 of State for extending credit in these cases.

23 (b) If the Secretary of State determines that an instrument
24 submitted for filing or otherwise submitted does not conform to
25 law and returns it to the person submitting it, the instrument may
26 be resubmitted accompanied by a written opinion of the member
27 of the State Bar of California submitting the instrument, or
28 representing the person submitting it, to the effect that the specific
29 provision of the instrument objected to by the Secretary of State
30 does conform to law and stating the points and authorities upon
31 which the opinion is based. The Secretary of State shall rely, with
32 respect to any disputed point of law (other than the application of
33 Sections 201, 2101, and 2106), upon that written opinion in
34 determining whether the instrument conforms to law. The date of
35 filing in that case shall be the date the instrument is received on
36 resubmission.

37 (c) Any instrument filed with respect to a corporation (other
38 than original articles) may provide that it is to become effective
39 not more than 90 days subsequent to its filing date. In case such a
40 delayed effective date is specified, the instrument may be prevented

1 from becoming effective by a certificate stating that by appropriate
2 corporate action it has been revoked and is null and void, executed
3 in the same manner as the original instrument and filed before the
4 specified effective date. In the case of a merger agreement, the
5 certificate revoking the earlier filing need only be executed on
6 behalf of one of the constituent corporations. If no revocation
7 certificate is filed, the instrument becomes effective on the date
8 specified.

9 SEC. 4. Section 202 of the Corporations Code is amended to
10 read:

11 202. The articles of incorporation shall set forth:

12 (a) The name of the corporation; provided, however, that in
13 order for the corporation to be subject to the provisions of this
14 division applicable to a close corporation (Section 158), the name
15 of the corporation must contain the word “corporation,”
16 “incorporated,” or “limited” or an abbreviation of one of such
17 words.

18 (b) (1) The applicable one of the following statements:

19 (A) The purpose of the corporation is to engage in any lawful
20 act or activity for which a corporation may be organized under the
21 General Corporation Law of California other than the banking
22 business, the trust company business or the practice of a profession
23 permitted to be incorporated by the California Corporations Code;
24 or

25 (B) The purpose of the corporation is to engage in the profession
26 of ____ (with the insertion of a profession permitted to be
27 incorporated by the California Corporations Code) and any other
28 lawful activities (other than the banking or trust company business)
29 not prohibited to a corporation engaging in such profession by
30 applicable laws and regulations.

31 (2) In case the corporation is a corporation subject to the
32 Banking Law (Division 1 (commencing with Section 99) of the
33 Financial Code), the articles shall set forth a statement of purpose
34 which is prescribed in the applicable provision of the Banking
35 Law.

36 (3) In case the corporation is a corporation subject to the
37 Insurance Code as an insurer, the articles shall additionally state
38 that the business of the corporation is to be an insurer.

39 (4) If the corporation is intended to be a “professional
40 corporation” within the meaning of the Moscone-Knox Professional

1 Corporation Act (Part 4 (commencing with Section 13400) of
2 Division 3), the articles shall additionally contain the statement
3 required by Section 13404.

4 The articles shall not set forth any further or additional statement
5 with respect to the purposes or powers of the corporation, except
6 by way of limitation or except as expressly required by any law
7 of this state other than this division or any federal or other statute
8 or regulation (including the Internal Revenue Code and regulations
9 thereunder as a condition of acquiring or maintaining a particular
10 status for tax purposes).

11 (c) The name and street address in this state of the corporation's
12 initial agent for service of process in accordance with subdivision
13 (b) of Section 1502.

14 (d) The initial street address of the corporation.

15 (e) The initial mailing address of the corporation, if different
16 from the initial street address.

17 (f) If the corporation is authorized to issue only one class of
18 shares, the total number of shares which the corporation is
19 authorized to issue.

20 (g) If the corporation is authorized to issue more than one class
21 of shares, or if any class of shares is to have two or more series:

22 (1) The total number of shares of each class the corporation is
23 authorized to issue, and the total number of shares of each series
24 which the corporation is authorized to issue or that the board is
25 authorized to fix the number of shares of any such series;

26 (2) The designation of each class, and the designation of each
27 series or that the board may determine the designation of any such
28 series; and

29 (3) The rights, preferences, privileges, and restrictions granted
30 to or imposed upon the respective classes or series of shares or the
31 holders thereof, or that the board, within any limits and restrictions
32 stated, may determine or alter the rights, preferences, privileges,
33 and restrictions granted to or imposed upon any wholly unissued
34 class of shares or any wholly unissued series of any class of shares.
35 As to any series the number of shares of which is authorized to be
36 fixed by the board, the articles may also authorize the board, within
37 the limits and restrictions stated therein or stated in any resolution
38 or resolutions of the board originally fixing the number of shares
39 constituting any series, to increase or decrease (but not below the
40 number of shares of such series then outstanding) the number of

1 shares of any such series subsequent to the issue of shares of that
2 series. In case the number of shares of any series shall be so
3 decreased, the shares constituting such decrease shall resume the
4 status which they had prior to the adoption of the resolution
5 originally fixing the number of shares of such series.

6 SEC. 5. Section 900 of the Corporations Code is amended to
7 read:

8 900. (a) By complying with the provisions of this chapter, a
9 corporation may amend its articles from time to time, in any and
10 as many respects as may be desired, so long as its articles as
11 amended contain only such provisions as it would be lawful to
12 insert in original articles filed at the time of the filing of the
13 amendment and, if a change in shares or the rights of shareholders
14 or an exchange, reclassification or cancellation of shares or rights
15 of shareholders is to be made, such provisions as may be necessary
16 to effect such change, exchange, reclassification or cancellation.
17 It is the intent of the Legislature in adopting this section to exercise
18 to the fullest extent the reserve power of the state over corporations
19 and to authorize any amendment of the articles covered by the
20 preceding sentence regardless of whether any provision contained
21 in the amendment was permissible at the time of the original
22 incorporation of the corporation.

23 (b) A corporation shall not amend its articles to add any
24 statement or to alter any statement that may appear in the original
25 articles of the initial street address and initial mailing address of
26 the corporation, the names and addresses of the first directors, or
27 the name and address of the initial agent, except to correct an error
28 in the statement or to delete the information after the corporation
29 has filed a statement under Section 1502.

30 SEC. 6. Section 902 of the Corporations Code is amended to
31 read:

32 902. (a) After any shares have been issued, amendments may
33 be adopted if approved by the board and approved by the
34 outstanding shares (Section 152), either before or after the approval
35 by the board.

36 (b) Notwithstanding subdivision (a), an amendment extending
37 the corporate existence or making the corporate existence perpetual
38 may be adopted by a corporation organized prior to August 14,
39 1929, with approval by the board alone.

1 (c) Notwithstanding subdivision (a), unless the corporation has
2 more than one class of shares outstanding, an amendment effecting
3 only a stock split (including an increase in the authorized number
4 of shares in proportion thereto) may be adopted with approval by
5 the board alone.

6 (d) Notwithstanding subdivision (a), an amendment deleting
7 the initial street address and initial mailing address of the
8 corporation, the names and addresses of the first directors, or the
9 name and address of the initial agent may be adopted with approval
10 by the board alone.

11 (e) Whenever the articles require for corporate action the vote
12 of a larger proportion or of all of the shares of any class or series,
13 or of a larger proportion or of all of the directors, than is otherwise
14 required by this division, the provision in the articles requiring
15 such greater vote shall not be altered, amended or repealed except
16 by such greater vote unless otherwise provided in the articles.

17 (f) Notwithstanding subdivision (a), any amendment reducing
18 the vote required for an amendment pursuant to subdivision (c) of
19 Section 158 may not be adopted unless approved by the affirmative
20 vote of at least two-thirds of each class of outstanding shares or
21 such other vote as may then be specified by the articles of the
22 corporation.

23 SEC. 7. Section 910 of the Corporations Code is amended to
24 read:

25 910. (a) A corporation may restate in a single certificate the
26 entire text of its articles as amended by filing an officers' certificate
27 or, in circumstances where incorporators or the board may amend
28 a corporation's articles pursuant to Sections 901 and 906, a
29 certificate signed and verified by a majority of the incorporators
30 or the board, as applicable, entitled "Restated Articles of
31 Incorporation of (insert name of corporation)" which shall set forth
32 the articles as amended to the date of the filing of the certificate,
33 except that the signatures and acknowledgments of the articles by
34 the incorporators and any statements regarding the effect of any
35 prior amendment upon outstanding shares and any provisions of
36 agreements of merger (other than amendments to the articles of
37 the surviving corporation) and the initial street address and initial
38 mailing address of the corporation and the names and addresses
39 of the first directors and of the initial agent for service of process
40 shall be omitted (except that the initial street address and initial

1 mailing address of the corporation, the names and addresses of the
2 initial agent for service of process and, if previously set forth in
3 the articles, the initial directors, shall not be omitted prior to the
4 time that the corporation has filed a statement under Section 1502).
5 Such omissions are not alterations or amendments of the articles.
6 The certificate may also itself alter or amend the articles in any
7 respect, in which case the certificate must comply with Section
8 905 or 906, as the case may be, and Section 907.

9 (b) If the certificate does not itself alter or amend the articles
10 in any respect, it shall be approved by the board or, prior to the
11 issuance of any shares and the naming and election of directors,
12 by a majority of the incorporators, and shall be subject to the
13 provisions of this chapter relating to an amendment of the articles
14 not requiring any approval of the outstanding shares (Section 152).
15 If the certificate does itself alter or amend the articles, it shall be
16 subject to the provisions of this chapter relating to the amendment
17 or amendments so made and, except for certificates approved by
18 a majority of the incorporators, the certificate shall also state that
19 the board has approved the restated articles.

20 (c) Certificates of determination are a part of the articles within
21 the meaning of this section. The provisions of such a certificate
22 shall be given an article designation in the restated articles.

23 (d) Restated articles of incorporation filed pursuant to this
24 section shall supersede for all purposes the original articles and
25 all amendments and certificates of determination filed prior thereto.

26 SEC. 8. Section 1505 of the Corporations Code is amended to
27 read:

28 1505. (a) Any domestic or foreign corporation, before it may
29 be designated as the agent for the purpose of service of process of
30 any entity pursuant to any law which refers to this section, shall
31 file a certificate executed in the name of the corporation by an
32 officer thereof stating all of the following:

33 (1) The complete street address of its office or offices in this
34 state, wherein any entity designating it as such agent may be served
35 with process.

36 (2) The name of each person employed by it at each such office
37 to whom it authorizes the delivery of a copy of any such process.

38 (3) Its consent that delivery thereof to any such person at the
39 office where the person is employed shall constitute delivery of
40 any such copy to it, as such agent.

1 (b) Any corporation which has filed the certificate provided for
2 in subdivision (a) may file any number of supplemental certificates
3 containing all the statements provided for in subdivision (a), which,
4 upon the filing thereof, shall supersede the statements contained
5 in the original or in any supplemental certificate previously filed.

6 (c) No domestic or foreign corporation may file a certificate
7 pursuant to this section unless it is currently authorized to engage
8 in business in this state and is in good standing on the records of
9 the Secretary of State.

10 SEC. 9. Section 2105 of the Corporations Code is amended to
11 read:

12 2105. (a) A foreign corporation shall not transact intrastate
13 business without having first obtained from the Secretary of State
14 a certificate of qualification. To obtain that certificate it shall file,
15 on a form prescribed by the Secretary of State, a statement and
16 designation signed by a corporate officer stating:

17 (1) Its name and the state or place of its incorporation or
18 organization.

19 (2) The street address of its principal executive office.

20 (3) The street address of its principal office within this state, if
21 any.

22 (4) The mailing address of its principal executive office, if
23 different from the addresses specified pursuant to paragraphs (2)
24 and (3).

25 (5) The name of an agent upon whom process directed to the
26 corporation may be served within this state. The designation shall
27 comply with the provisions of subdivision (b) of Section 1502.

28 (6) (A) Its irrevocable consent to service of process directed to
29 it upon the agent designated and to service of process on the
30 Secretary of State if the agent so designated or the agent's successor
31 is no longer authorized to act or cannot be found at the address
32 given.

33 (B) Consent under this paragraph extends to service of process
34 directed to the foreign corporation's agent in California for a search
35 warrant issued pursuant to Section 1524.2 of the Penal Code, or
36 for any other validly issued and properly served search warrant,
37 for records or documents that are in the possession of the foreign
38 corporation and are located inside or outside of this state. This
39 subparagraph shall apply to a foreign corporation that is a party
40 or a nonparty to the matter for which the search warrant is sought.

1 For purposes of this subparagraph, “properly served” means
2 delivered by hand, or in a manner reasonably allowing for proof
3 of delivery if delivered by United States mail, overnight delivery
4 service, or facsimile to a person or entity listed in Section 2110 of
5 the Corporations Code.

6 (7) If it is a corporation which will be subject to the Insurance
7 Code as an insurer, it shall so state that fact.

8 (b) Annexed to that statement and designation shall be a
9 certificate by an authorized public official of the state or place of
10 incorporation of the corporation to the effect that the corporation
11 is an existing corporation in good standing in that state or place
12 or, in the case of an association, an officers’ certificate stating that
13 it is a validly organized and existing business association under
14 the laws of a specified foreign jurisdiction.

15 (c) Before it may be designated by any foreign corporation as
16 its agent for service of process, any corporate agent must comply
17 with Section 1505.

18 SEC. 10. Section 2602 of the Corporations Code is amended
19 to read:

20 2602. The articles of incorporation shall set forth:

21 (a) The name of the flexible purpose corporation that shall
22 contain the words “flexible purpose corporation” or an abbreviation
23 of those words.

24 (b) (1) Either of the following statements, as applicable:

25 (A) “The purpose of this flexible purpose corporation is to
26 engage in any lawful act or activity for which a flexible purpose
27 corporation may be organized under Division 1.5 of the California
28 Corporations Code, other than the banking business, the trust
29 company business or the practice of a profession permitted to be
30 incorporated by the California Corporations Code, for the benefit
31 of the long-term and the short-term interests of the flexible purpose
32 corporation and its shareholders and in furtherance of the following
33 enumerated purposes ____.”

34 (B) “The purpose of this flexible purpose corporation is to
35 engage in the profession of ____ (with the insertion of a profession
36 permitted to be incorporated by the California Corporations Code)
37 and any other lawful activities, other than the banking or trust
38 company business, not prohibited to a flexible purpose corporation
39 engaging in that profession by applicable laws and regulations,

1 for the benefit of the long-term and the short-term interests of the
2 flexible purpose corporation and its shareholders.”

3 (2) A statement that a purpose of the flexible purpose
4 corporation is to engage in one or more of the following purposes,
5 in addition to the purpose stated pursuant to paragraph (1):

6 (A) One or more charitable or public purpose activities that a
7 nonprofit public benefit corporation is authorized to carry out.

8 (B) The purpose of promoting positive short-term or long-term
9 effects of, or minimizing adverse short-term or long-term effects
10 of, the flexible purpose corporation’s activities upon any of the
11 following:

12 (i) The flexible purpose corporation’s employees, suppliers,
13 customers, and creditors.

14 (ii) The community and society.

15 (iii) The environment.

16 (3) A statement that the flexible purpose corporation is organized
17 as a flexible purpose corporation under the Corporate Flexibility
18 Act of 2011.

19 (4) If the flexible purpose corporation is a flexible purpose
20 corporation subject to the Banking Law (Division 1 (commencing
21 with Section 99) of the Financial Code), the articles shall set forth
22 a statement of purpose that is prescribed by the applicable provision
23 of the Banking Law (Division 1 (commencing with Section 99)
24 of the Financial Code).

25 (5) If the flexible purpose corporation is a flexible purpose
26 corporation subject to the Insurance Code as an insurer, the articles
27 shall additionally state that the business of the flexible purpose
28 corporation is to be an insurer.

29 (6) If the flexible purpose corporation is intended to be a
30 professional corporation within the meaning of the Moscone-Knox
31 Professional Corporation Act (Part 4 (commencing with Section
32 13400) of Division 3), the articles shall additionally contain the
33 statement required by Section 13404. The articles shall not set
34 forth any further or additional statement with respect to the
35 purposes or powers of the flexible purpose corporation, except by
36 way of limitation or except as expressly required by any law of
37 this state, other than this division, or any federal or other statute
38 or regulation, including the Internal Revenue Code and regulations
39 thereunder as a condition of acquiring or maintaining a particular
40 status for tax purposes.

1 (7) If the flexible purpose corporation is a close flexible purpose
2 corporation, a statement as required by subdivision (a) of Section
3 158.

4 (c) The name and street address in this state of the flexible
5 purpose corporation's initial agent for service of process in
6 accordance with subdivision (b) of Section 1502.

7 (d) The initial street address of the corporation.

8 (e) The initial mailing address of the corporation, if different
9 from the initial street address.

10 (f) If the flexible purpose corporation is authorized to issue only
11 one class of shares, the total number of shares that the flexible
12 purpose corporation is authorized to issue.

13 (g) If the flexible purpose corporation is authorized to issue
14 more than one class of shares, or if any class of shares is to have
15 two or more series, the articles shall state:

16 (1) The total number of shares of each class that the flexible
17 purpose corporation is authorized to issue and the total number of
18 shares of each series that the flexible purpose corporation is
19 authorized to issue or that the board is authorized to fix the number
20 of shares of any such series.

21 (2) The designation of each class and the designation of each
22 series or that the board may determine the designation of any such
23 series.

24 (3) The rights, preferences, privileges, and restrictions granted
25 to or imposed upon the respective classes or series of shares or the
26 holders thereof, or that the board, within any limits and restrictions
27 stated, may determine or alter the rights, preferences, privileges,
28 and restrictions granted to or imposed upon any wholly unissued
29 class of shares or any wholly unissued series of any class of shares.
30 As to any series the number of shares of which is authorized to be
31 fixed by the board, the articles may also authorize the board, within
32 the limits and restrictions stated in the article or in any resolution
33 or resolutions of the board originally fixing the number of shares
34 constituting any series, to increase or decrease, but not below the
35 number of shares of such series then outstanding, the number of
36 shares of any series subsequent to the issue of shares of that series.
37 If the number of shares of any series shall be so decreased, the
38 shares constituting that decrease shall resume the status which they
39 had prior to the adoption of the resolution originally fixing the
40 number of shares of that series.

1 SEC. 11. Section 5008 of the Corporations Code is amended
2 to read:

3 5008. (a) Upon receipt of any instrument by the Secretary of
4 State for filing pursuant to this part, Part 2, Part 3, Part 4 or Part
5 5, if it conforms to law, it shall be filed by, and in the office of the
6 Secretary of State and the date of filing endorsed thereon. Except
7 for instruments filed pursuant to Section 6210, 8210, or 9660 the
8 date of filing shall be the date the instrument is received by the
9 Secretary of State unless the instrument provides that it is to be
10 withheld from filing until a future date or unless in the judgment
11 of the Secretary of State the filing is intended to be coordinated
12 with the filing of some other corporate document which cannot be
13 filed. The Secretary of State shall file a document as of any
14 requested future date not more than 90 days after its receipt,
15 including a Saturday, Sunday or legal holiday, if the document is
16 received in the Secretary of State's office at least one business day
17 prior to the requested date of filing. An instrument does not fail
18 to conform to law because it is not accompanied by the full filing
19 fee if the unpaid portion of such fee does not exceed the limits
20 established by the policy of the Secretary of State for extending
21 credit in such cases.

22 (b) If the Secretary of State determines that an instrument
23 submitted for filing or otherwise submitted does not conform to
24 law and returns it to the person submitting it, the instrument may
25 be resubmitted accompanied by a written opinion of a member of
26 the State Bar of California submitting the instrument, or
27 representing the person submitting it, to the effect that the specific
28 provision of the instrument objected to by the Secretary of State
29 does conform to law and stating the points and authorities upon
30 which the opinion is based. The Secretary of State shall rely, with
31 respect to any disputed point of law (other than the application of
32 Section 5122, 7122, or 9122), upon such written opinion in
33 determining whether the instrument conforms to law. The date of
34 filing in such case shall be the date the instrument is received on
35 resubmission.

36 (c) Any instrument filed with respect to a corporation (other
37 than original articles) may provide that it is to become effective
38 not more than 90 days subsequent to its filing date. In case such a
39 delayed effective date is specified, the instrument may be prevented
40 from becoming effective by a certificate stating that by appropriate

1 corporate action it has been revoked and is null and void, executed
2 in the same manner as the original instrument and filed before the
3 specified effective date. In the case of a merger agreement, such
4 certificate revoking the earlier filing need only be executed on
5 behalf of one of the constituent corporations. If no such revocation
6 certificate is filed, the instrument becomes effective on the date
7 specified.

8 SEC. 12. Section 5008.6 of the Corporations Code is amended
9 to read:

10 5008.6. (a) A corporation that (1) fails to file a statement
11 pursuant to Section 6210, 8210, or 9660 for an applicable filing
12 period, (2) has not filed a statement pursuant to Section 6210,
13 8210, or 9660 during the preceding 24 months, and (3) was
14 certified for penalty pursuant to Section 6810, 8810, or 9690 for
15 the same filing period, shall be subject to suspension pursuant to
16 this section rather than to penalty under Section 6810 or 8810.

17 (b) When subdivision (a) is applicable, the Secretary of State
18 shall provide a notice to the corporation informing the corporation
19 that its corporate powers, rights, and privileges will be suspended
20 60 days from the date of the notice if the corporation does not file
21 the statement required by Section 6210, 8210, or 9660.

22 (c) If the 60-day period expires without the delinquent
23 corporation filing the required statement, the Secretary of State
24 shall notify the Franchise Tax Board of the suspension, and provide
25 a notice of the suspension to the corporation. Thereupon, except
26 for the purpose of filing an application for exempt status or
27 amending the articles of incorporation as necessary either to perfect
28 that application or to set forth a new name, the corporate powers,
29 rights, and privileges of the corporation are suspended.

30 (d) A statement required by Section 6210, 8210, or 9660 may
31 be filed, notwithstanding suspension of the corporate powers,
32 rights, and privileges under this section or under provisions of the
33 Revenue and Taxation Code. Upon the filing of a statement under
34 Section 6210, 8210, or 9660, by a corporation that has suffered
35 suspension under this section, the Secretary of State shall certify
36 that fact to the Franchise Tax Board and the corporation may
37 thereupon be relieved from suspension, unless the corporation is
38 held in suspension by the Franchise Tax Board because of Section
39 23301, 23301.5, or 23775 of the Revenue and Taxation Code.

1 SEC. 13. Section 5130 of the Corporations Code is amended
2 to read:

3 5130. The articles of incorporation of a corporation formed
4 under this part shall set forth:

5 (a) The name of the corporation.

6 (b) The following statement:

7

8 “This corporation is a nonprofit public benefit corporation and
9 is not organized for the private gain of any person. It is organized
10 under the Nonprofit Public Benefit Corporation Law for (public
11 or charitable [insert one or both]) purposes.”

12 [If the purposes include “public” purposes, the articles shall,
13 and in all other cases the articles may, include a further
14 description of the corporation’s purposes.]

15

16 (c) The name and street address in this state of the corporation’s
17 initial agent for service of process in accordance with subdivision

18 (b) of Section 6210.

19 (d) The initial street address of the corporation.

20 (e) The initial mailing address of the corporation, if different
21 from the initial street address.

22 SEC. 14. Section 5810 of the Corporations Code is amended
23 to read:

24 5810. (a) By complying with the provisions of this chapter, a
25 corporation may amend its articles from time to time, in any and
26 as many respects as may be desired, so long as its articles as
27 amended contain only such provisions as it would be lawful to
28 insert in original articles filed at the time of the filing of the
29 amendment or as authorized by Section 5813.5 and, if a change
30 in the rights of members or an exchange, reclassification or
31 cancellation of memberships is to be made, such provisions as may
32 be necessary to effect such change, exchange, reclassification or
33 cancellation. It is the intent of the Legislature in adopting this
34 section to exercise to the fullest extent the reserve power of the
35 state over corporations and to authorize any amendment of the
36 articles covered by the preceding sentence regardless of whether
37 any provision contained in the amendment was permissible at the
38 time of the original incorporation of the corporation.

39 (b) A corporation shall not amend its articles to *add any*
40 *statement or to alter any statement* which may appear in the original

1 articles of the initial street address and initial mailing address of
2 the corporation, the names and addresses of the first directors, or
3 the name and address of the initial agent, except to correct an error
4 in the statement or to delete the information after the corporation
5 has filed a statement under Section 6210.

6 SEC. 15. Section 5812 of the Corporations Code is amended
7 to read:

8 5812. (a) Except as provided in this section or Section 5813.5,
9 amendments may be adopted if approved by the board and
10 approved by the members (Section 5034) and approved by such
11 other person or persons, if any, as required by the articles. The
12 approval by the members or other person or persons may be before
13 or after the approval by the board.

14 (b) Notwithstanding subdivision (a), the following amendments
15 may be adopted by approval of the board alone:

16 (1) An amendment extending the corporate existence or making
17 the corporate existence perpetual, if the corporation was organized
18 prior to August 14, 1929.

19 (2) An amendment deleting the initial street address and initial
20 mailing address of the corporation, the names and addresses of the
21 first directors, or the name and address of the initial agent.

22 (3) Any amendment, at a time the corporation has no members;
23 provided, however, that if the articles require approval by any
24 person for an amendment, that an amendment may not be adopted
25 without such approval.

26 (4) An amendment adopted pursuant to Section 9913.

27 (c) Whenever the articles require for corporate action the
28 approval of a particular class of members or of a larger proportion
29 of, or all of, the votes of any class, or of a larger proportion of, or
30 all of, the directors, than is otherwise required by this part, the
31 provision in the articles requiring such greater vote shall not be
32 altered, amended or repealed except by such class or such greater
33 vote, unless otherwise provided in the articles.

34 SEC. 16. Section 5813.5 of the Corporations Code is amended
35 to read:

36 5813.5. (a) A public benefit corporation may amend its articles
37 to change its status to that of a mutual benefit corporation, a
38 religious corporation, a business corporation, or a cooperative
39 corporation by complying with this section and the other sections
40 of this chapter.

1 The Secretary of State shall notify the Franchise Tax Board, in
2 the manner and at the times agreed upon by the Secretary of State
3 and the Franchise Tax Board, of any amendments to a public
4 benefit corporation's articles.

5 (b) If the public benefit corporation has any assets, an
6 amendment to change its status to a mutual benefit corporation,
7 business corporation, or cooperative corporation shall be approved
8 in advance in writing by the Attorney General. If the public benefit
9 corporation has no assets, the Attorney General shall be given a
10 copy of the amendment at least 20 days before the amendment is
11 filed.

12 (c) Amended articles authorized by this section shall include
13 the provisions which would have been required (other than the
14 initial street address and initial mailing address of the corporation
15 and the name of the initial agent for service of process if a
16 statement has been filed pursuant to Section 6210), and may in
17 addition only include those provisions which would have been
18 permitted, in original articles filed by the type of corporation
19 (mutual benefit, religious, business, or cooperative) into which the
20 public benefit corporation is changing its status.

21 (d) In the case of a change of status to a business corporation
22 or cooperative corporation, if the Franchise Tax Board has issued
23 a determination exempting the corporation from tax as provided
24 in Section 23701 of the Revenue and Taxation Code, the
25 corporation shall be subject to Section 23221 of the Revenue and
26 Taxation Code upon filing the certificate of amendment.

27 SEC. 17. Section 5819 of the Corporations Code is amended
28 to read:

29 5819. (a) A corporation may restate in a single certificate the
30 entire text of its articles as amended by filing an officers' certificate
31 or, in circumstances where incorporators or the board may amend
32 a corporation's articles pursuant to Sections 5811 and 5815, a
33 certificate signed and verified by a majority of the incorporators
34 or the board, as applicable, entitled "Restated Articles of
35 Incorporation of (insert name of corporation)" that shall set forth
36 the articles as amended to the date of filing of the certificate, except
37 that the signatures and acknowledgments of the articles by the
38 incorporators and any statements regarding the effect of any prior
39 amendment upon memberships and any provisions of agreements
40 of merger (other than amendments to the articles of the surviving

1 corporation), and the initial street address and initial mailing
2 address of the corporation and the names and addresses of the first
3 directors and of the initial agent for service of process shall be
4 omitted (except that the initial street address and initial mailing
5 address of the corporation and the names and addresses of the
6 initial agent for service of process and, if previously set forth in
7 the articles, the initial directors, shall not be omitted prior to the
8 time that the corporation has filed a statement under Section 6210).
9 Those omissions are not alterations or amendments of the articles.
10 The certificate may also itself alter or amend the articles in any
11 respect, in which case the certificate must comply with Section
12 5814 or 5815, as the case may be, and Section 5816.

13 (b) If the certificate does not itself alter or amend the articles
14 in any respect, it shall be approved by the board or, prior to the
15 issuance of any memberships and the naming and election of
16 directors, by a majority of the incorporators, and shall be subject
17 to the provisions of this chapter relating to an amendment of the
18 articles not requiring approval of the members (Section 5034). If
19 the certificate does itself alter or amend the articles, it shall be
20 subject to the provisions of this chapter relating to the amendment
21 or amendments so made.

22 (c) Restated articles of incorporation filed pursuant to this
23 section shall supersede for all purposes the original articles and
24 all amendments filed prior thereto.

25 SEC. 18. Section 7130 of the Corporations Code is amended
26 to read:

27 7130. The articles of incorporation of a corporation formed
28 under this part shall set forth the following:

29 (a) The name of the corporation.

30 (b) (1) Except as provided in paragraph (2), the following
31 statement:

32 “This corporation is a nonprofit mutual benefit corporation
33 organized under the Nonprofit Mutual Benefit Corporation Law.
34 The purpose of this corporation is to engage in any lawful act or
35 activity, other than credit union business, for which a corporation
36 may be organized under such law.”

37 (2) In the case of a corporation formed under this part that is
38 subject to the California Credit Union Law (Chapter 1
39 (commencing with Section 14000) of Division 5 of the Financial
40 Code), the articles shall set forth a statement of purpose that is

1 prescribed in the applicable provisions of the California Credit
2 Union Law.

3 (3) The articles may include a further definition of the
4 corporation's purposes.

5 (c) The name and street address in this state of the corporation's
6 initial agent for service of process in accordance with subdivision

7 (b) of Section 8210.

8 (d) The initial street address of the corporation.

9 (e) The initial mailing address of the corporation, if different
10 from the initial street address.

11 SEC. 19. Section 7810 of the Corporations Code is amended
12 to read:

13 7810. (a) By complying with the provisions of this chapter, a
14 corporation may amend its articles from time to time, in any and
15 as many respects as may be desired, so long as its articles as
16 amended contain only such provisions as it would be lawful to
17 insert in original articles filed at the time of the filing of the
18 amendment or as authorized by Section 7813.5 and, if a change
19 in the rights of members or an exchange, reclassification or
20 cancellation of memberships is to be made, such provisions as may
21 be necessary to effect such change, exchange, reclassification or
22 cancellation. It is the intent of the Legislature in adopting this
23 section to exercise to the fullest extent the reserve power of the
24 state over corporations and to authorize any amendment of the
25 articles covered by the preceding sentence regardless of whether
26 any provision contained in the amendment was permissible at the
27 time of the original incorporation of the corporation.

28 (b) A corporation shall not amend its articles to *add any*
29 *statement or to alter any statement* which may appear in the original
30 articles of the initial street address and initial mailing address of
31 the corporation, the names and addresses of the first directors, or
32 the name and address of the initial agent, except to correct an error
33 in the statement or to delete ~~either~~ *the information* after the
34 corporation has filed a statement under Section 8210.

35 SEC. 20. Section 7812 of the Corporations Code is amended
36 to read:

37 7812. (a) Except as provided in this section or Section 7813,
38 amendments may be adopted if approved by the board and
39 approved by the members (Section 5034) and approved by such
40 other person or persons, if any, as required by the articles. The

1 approval by the members or other person or persons may be before
2 or after the approval by the board.

3 (b) Notwithstanding subdivision (a), the following amendments
4 may be adopted by approval of the board alone:

5 (1) An amendment extending the corporate existence or making
6 the corporate existence perpetual, if the corporation was organized
7 prior to August 14, 1929.

8 (2) An amendment deleting the initial street address and initial
9 mailing address of the corporation, the names and addresses of the
10 first directors, or the name and address of the initial agent.

11 (3) Any amendment, at a time the corporation has no members;
12 provided, however, that if the articles require approval by any
13 person for an amendment, an amendment may not be adopted
14 without such approval.

15 (4) An amendment adopted pursuant to Section 9913.

16 (c) Whenever the articles require for corporate action the
17 approval of a particular class of members or of a larger proportion
18 of, or all of, the votes of any class, or of a larger proportion of, or
19 all of, the directors, than is otherwise required by this part, the
20 provision in the articles requiring such greater vote shall not be
21 altered, amended or repealed except by such class or such greater
22 vote, unless otherwise provided in the articles.

23 SEC. 21. Section 7813.5 of the Corporations Code is amended
24 to read:

25 7813.5. (a) A mutual benefit corporation may amend its articles
26 to change its status to that of a public benefit corporation, a
27 religious corporation, a business corporation, or a cooperative
28 corporation by complying with this section and the other sections
29 of this chapter.

30 (b) Except as authorized by Section 7811 or unless the
31 corporation has no members, an amendment to change its status
32 to a public benefit corporation or religious corporation shall: (i)
33 be approved by the members (Section 5034), and the fairness of
34 the amendment to the members shall be approved by the
35 Commissioner of Corporations pursuant to Section 25142; (ii) be
36 approved by the members (Section 5034) in an election conducted
37 by written ballot pursuant to Section 7513 in which no negative
38 votes are cast; or (iii) be approved by 100 percent of the voting
39 power.

1 (c) Amended articles authorized by this section shall include
2 the provisions which would have been required (other than the
3 initial street address and initial mailing address of the corporation
4 and the name of the initial agent for service of process if a
5 statement has been filed pursuant to Section 8210), and may in
6 addition only include those provisions which would have been
7 permitted, in original articles filed by the type of corporation
8 (public benefit, religious, business, or cooperative) into which the
9 mutual benefit corporation is changing its status.

10 (d) At the time of filing a certificate of amendment to change
11 status to a public benefit corporation, a corporation shall furnish
12 an additional copy of the certificate of amendment to the Secretary
13 of State who shall forward that copy to the Attorney General.

14 (e) In the case of a change of status to a business corporation
15 or a cooperative corporation, if the Franchise Tax Board has issued
16 a determination exempting the corporation from tax as provided
17 in Section 23701 of the Revenue and Taxation Code, the
18 corporation shall be subject to Section 23221 of the Revenue and
19 Taxation Code upon filing the certificate of amendment.

20 SEC. 22. Section 7819 of the Corporations Code is amended
21 to read:

22 7819. (a) A corporation may restate in a single certificate the
23 entire text of its articles as amended by filing an officers' certificate
24 or, in circumstances where incorporators or the board may amend
25 a corporation's articles pursuant to Sections 7811 and 7815, a
26 certificate signed and verified by a majority of the incorporators
27 or the board, as applicable, entitled "Restated Articles of
28 Incorporation of (insert name of corporation)" which shall set forth
29 the articles as amended to the date of filing of the certificate, except
30 that the signatures and acknowledgments of the articles by the
31 incorporators and any statements regarding the effect of any prior
32 amendment upon memberships and any provisions of agreements
33 of merger (other than amendments to the articles of the surviving
34 corporation), and the initial street address and initial mailing
35 address of the corporation, and the names and addresses of the
36 first directors and of the initial agent for service of process shall
37 be omitted (except that the initial street address and initial mailing
38 address of the corporation and the names and addresses of the
39 initial agent for service of process and, if previously set forth in
40 the articles, the initial directors, shall not be omitted prior to the

1 time that the corporation has filed a statement under Section 8210).
2 Such omissions are not alterations or amendments of the articles.
3 The certificate may also itself alter or amend the articles in any
4 respect, in which case the certificate must comply with Section
5 7814 or 7815, as the case may be, and Section 7816.

6 (b) If the certificate does not itself alter or amend the articles
7 in any respect, it shall be approved by the board or, prior to the
8 issuance of any memberships and the naming and election of
9 directors, by a majority of the incorporators, and shall be subject
10 to the provisions of this chapter relating to an amendment of the
11 articles not requiring approval of the members (Section 5034). If
12 the certificate does itself alter or amend the articles, it shall be
13 subject to the provisions of this chapter relating to the amendment
14 or amendments so made.

15 (c) Restated articles of incorporation filed pursuant to this
16 section shall supersede for all purposes the original articles and
17 all amendments filed prior thereto.

18 SEC. 23. Section 8810 of the Corporations Code is amended
19 to read:

20 8810. (a) Upon the failure of a corporation to file the statement
21 required by Section 8210, the Secretary of State shall provide a
22 notice of such delinquency to the corporation. The notice shall
23 also contain information concerning the application of this section,
24 and advise the corporation of the penalty imposed by Section 19141
25 of the Revenue and Taxation Code for failure to timely file the
26 required statement after notice of delinquency has been provided
27 by the Secretary of State. If, within 60 days after providing notice
28 of the delinquency, a statement pursuant to Section 8210 has not
29 been filed by the corporation, the Secretary of State shall certify
30 the name of the corporation to the Franchise Tax Board.

31 (b) Upon certification pursuant to subdivision (a), the Franchise
32 Tax Board shall assess against the corporation a penalty of fifty
33 dollars (\$50) pursuant to Section 19141 of the Revenue and
34 Taxation Code.

35 (c) The penalty herein provided shall not apply to a corporation
36 which on or prior to the date of certification pursuant to subdivision
37 (a) has dissolved or has been merged into another corporation.

38 (d) The penalty herein provided shall not apply and the Secretary
39 of State need not provide a notice of the delinquency to a
40 corporation the corporate powers, rights, and privileges of which

1 have been suspended by the Franchise Tax Board pursuant to
2 Section 23301, 23301.5, or 23775 of the Revenue and Taxation
3 Code on or prior to, and remain suspended on, the last day of the
4 filing period pursuant to Section 8210. The Secretary of State need
5 not provide notice of the filing requirement pursuant to Section
6 8210, to a corporation the corporate powers, rights, and privileges
7 of which have been so suspended by the Franchise Tax Board on
8 or prior to, and remain suspended on, the day the Secretary of State
9 prepares the notice for sending.

10 (e) If, after certification pursuant to subdivision (a) the Secretary
11 of State finds the required statement was filed before the expiration
12 of the 60-day period after providing the notice of delinquency, the
13 Secretary of State shall promptly decertify the name of the
14 corporation to the Franchise Tax Board. The Franchise Tax Board
15 shall then promptly abate any penalty assessed against the
16 corporation pursuant to Section 19141 of the Revenue and Taxation
17 Code.

18 (f) If the Secretary of State determines that the failure of a
19 corporation to file a statement required by Section 8210 is
20 excusable because of reasonable cause or unusual circumstances
21 which justify the failure, the Secretary of State may waive the
22 penalty imposed by this section and by Section 19141 of the
23 Revenue and Taxation Code, in which case the Secretary of State
24 shall not certify the name of the corporation to the Franchise Tax
25 Board, or if already certified, the Secretary of State shall promptly
26 decertify the name of the corporation.

27 SEC. 24. Section 9130 of the Corporations Code is amended
28 to read:

29 9130. The articles of incorporation of a corporation formed
30 under this part shall set forth:

31 (a) The name of the corporation.

32 (b) The following statement:

33
34 “This corporation is a religious corporation and is not organized
35 for the private gain of any person. It is organized under the
36 Nonprofit Religious Corporation Law (primarily or exclusively
37 [insert one or both]) for religious purposes.” [The articles may
38 include a further description of the corporation’s purpose.]
39

1 (c) The name and street address in this state of the corporation's
2 initial agent for service of process in accordance with subdivision
3 (b) of Section 6210 (made applicable pursuant to Section 9660).

4 (d) The initial street address of the corporation.

5 (e) The initial mailing address of the corporation, if different
6 from the initial street address.

7 SEC. 25. Section 9621 of the Corporations Code is amended
8 to read:

9 9621. (a) A religious corporation may amend its articles to
10 change its status to that of (1), a public benefit corporation, by
11 complying with this section and the other sections of Chapter 8
12 (commencing with Section 5810) of Part 2 (made applicable
13 pursuant to Section 9620) or (2), a mutual benefit corporation,
14 business corporation, or cooperative corporation by complying
15 with Chapter 8 (commencing with Section 5810) of Part 2.

16 (b) Amended articles authorized by this section shall include
17 the provisions which would have been required (other than the
18 initial street address and initial mailing address of the corporation
19 and the name of the initial agent for service of process if a
20 statement has been filed pursuant to Section 6210, made applicable
21 pursuant to Section 9660) and may in addition only include those
22 provisions which would have been permitted, in original articles
23 filed by the type of corporation (public benefit, mutual benefit,
24 business, or cooperative) into which the religious corporation is
25 changing its status.

26 SEC. 26. Section 9913 of the Corporations Code is amended
27 to read:

28 9913. (a) The provisions of Sections 5130, 5131 and 5132 of
29 the new Public Benefit Corporation Law relating to the contents
30 of articles of incorporation do not apply to subject corporations
31 designated as public benefit corporations unless and until an
32 amendment of the articles is filed stating that the corporation elects
33 to be governed by all of the provisions of the new law not otherwise
34 applicable to it under this part.

35 (b) The provisions of Sections 7130, 7131, and 7132 of the new
36 Mutual Benefit Corporation Law relating to the contents of articles
37 of incorporation do not apply to subject corporations governed by
38 the Mutual Benefit Corporation Law unless and until an
39 amendment of the articles of incorporation is filed stating that the

1 corporation elects to be governed by all of the provisions of the
2 new law not otherwise applicable to it under this part.

3 (c) The provisions of Sections 9130, 9131, and 9132 of the new
4 Religious Corporation Law relating to the contents of articles of
5 incorporation do not apply to subject corporations governed by
6 the Religious Corporation Law unless and until an amendment of
7 the articles is filed stating that the corporation elects to be governed
8 by all of the provisions of the new law not otherwise applicable
9 to it under this part.

10 (d) The amendment described in subdivision (a) may be adopted
11 by the board alone, except that if such amendment makes any
12 change in the articles other than conforming the statement of
13 purposes of the public benefit corporation to Section 5130 and the
14 deletion of any references to the location of principal office and
15 deleting any statement regarding the number of directors or
16 conforming any such statement to Section 5151 (subject to Section
17 9915), it shall also be approved by the members (Section 5034) if
18 such approval is otherwise required for the changes made.

19 (e) The amendment described in subdivision (b) may be adopted
20 by the board alone, except that if such amendment makes any
21 change in the articles other than conforming the statement of
22 purposes of the mutual benefit corporation to subdivisions (a) and
23 (b) of Section 7130 and the deletion of any references to the
24 location of principal office and deleting any statement regarding
25 the number of directors or conforming any such statement to
26 Section 7151 (subject to Section 9915), it shall also be approved
27 by the members (Section 5034) if such approval is otherwise
28 required for the changes made.

29 (f) The amendment described in subdivision (c) may be adopted
30 by the board alone, except that if such amendment makes any
31 change in the articles other than conforming the statement of
32 purposes of the religious corporation to Section 9130 and the
33 deletion of any references to the location of principal office and
34 deleting any statement regarding the number of directors or
35 conforming any such statement to Section 9151 (subject to Section
36 9915), it shall also be approved by the members (Section 5034) if
37 such approval is otherwise required for the changes made.

38 (g) The amendment shall not contain the initial street address
39 or initial mailing address of the corporation or name the
40 corporation's initial agent for service of process if a statement

1 required by Section 6210, 8210, or 6210 (made applicable by
2 Section 9660), as the case may be, has been filed.

3 SEC. 27. Section 12214 of the Corporations Code is amended
4 to read:

5 12214. (a) Upon receipt of any instrument by the Secretary of
6 State for filing pursuant to this part, if it conforms to law, it shall
7 be filed by, and in the office of the Secretary of State and the date
8 of filing endorsed thereon. Except for instruments filed pursuant
9 to Section 12570 the date of filing shall be the date the instrument
10 is received by the Secretary of State unless the instrument provides
11 that it is to be withheld from filing until a future date or unless in
12 the judgment of the Secretary of State the filing is intended to be
13 coordinated with the filing of some other corporate document
14 which cannot be filed. The Secretary of State shall file a document
15 as of any requested future date not more than 90 days after its
16 receipt, including a Saturday, Sunday or legal holiday, if the
17 document is received in the Secretary of State's office at least one
18 business day prior to the requested date of filing. An instrument
19 does not fail to conform to law because it is not accompanied by
20 the full filing fee if the unpaid portion of such fee does not exceed
21 the limits established by the policy of the Secretary of State for
22 extending credit in such cases.

23 (b) If the Secretary of State determines that an instrument
24 submitted for filing or otherwise submitted does not conform to
25 law and returns it to the person submitting it, the instrument may
26 be resubmitted accompanied by a written opinion of a member of
27 the State Bar of California submitting the instrument, or
28 representing the person submitting it, to the effect that the specific
29 provision of the instrument objected to by the Secretary of State
30 does conform to law and stating the points and authorities upon
31 which the opinion is based. The Secretary of State shall rely, with
32 respect to any disputed point of law (other than the application of
33 Section 12302), upon such written opinion in determining whether
34 the instrument conforms to law. The date of filing in such case
35 shall be the date the instrument is received on resubmission.

36 (c) Any instrument filed with respect to a corporation (other
37 than original articles) may provide that it is to become effective
38 not more than 90 days subsequent to its filing date. In case such a
39 delayed effective date is specified, the instrument may be prevented
40 from becoming effective by a certificate stating that by appropriate

1 corporate action it has been revoked and is null and void, executed
2 in the same manner as the original instrument and filed before the
3 specified effective date. In the case of a merger agreement, such
4 certificate revoking the earlier filing need only be executed on
5 behalf of one of the constituent corporations. If no such revocation
6 certificate is filed, the instrument becomes effective on the date
7 specified.

8 SEC. 28. Section 12310 of the Corporations Code is amended
9 to read:

10 12310. The articles of incorporation of a corporation formed
11 under this part shall set forth:

12 (a) The name of the corporation.

13 (b) The following statement:

14

15 “This corporation is a cooperative corporation organized under
16 the Consumer Cooperative Corporation Law. The purpose of this
17 corporation is to engage in any lawful act or activity for which a
18 corporation may be organized under such law.”

19 [The articles may include a further description of the
20 corporation’s purpose.]

21

22 (c) The name and street address in this state of the corporation’s
23 initial agent for service of process in accordance with subdivision
24 (b) of Section 12570.

25 (d) The initial street address of the corporation.

26 (e) The initial mailing address of the corporation, if different
27 from the initial street address.

28 (f) Whether the voting power or the proprietary interests of the
29 members are equal or unequal. If the voting power or proprietary
30 interests of the members are unequal, the articles shall state either

31 (i) the general rule or rules by which the voting power and
32 proprietary interests of the members shall be determined or (ii)
33 that such rule or rules shall be prescribed in the corporation’s
34 bylaws. Equal voting power means voting power apportioned on
35 the basis of one vote for each member. Equal proprietary rights
36 means property rights apportioned on the basis of one proprietary
37 unit for each member.

38 SEC. 29. Section 12500 of the Corporations Code is amended
39 to read:

1 12500. (a) By complying with the provisions of this chapter,
2 a corporation may amend its articles from time to time, in any and
3 as many respects as may be desired, so long as its articles as
4 amended contain only such provisions as it would be lawful to
5 insert in original articles filed at the time of the filing of the
6 amendment or as authorized by Section 12504 and, if a change in
7 the rights of members or an exchange, reclassification or
8 cancellation of memberships is to be made, such provisions as may
9 be necessary to effect such change, exchange, reclassification or
10 cancellation. It is the intent of the Legislature in adopting this
11 section to exercise to the fullest extent the reserve power of the
12 state over corporations and to authorize any amendment of the
13 articles covered by the preceding sentence regardless of whether
14 any provision contained in the amendment was permissible at the
15 time of the original incorporation of the corporation.

16 (b) A corporation shall not amend its articles to *add any*
17 *statement or to* alter any statement which may appear in the original
18 articles of the initial street address and initial mailing address of
19 the corporation, the names and addresses of the first directors, or
20 the name and address of the initial agent, except to correct an error
21 in the statement or to delete the information after the corporation
22 has filed a statement under Section 12570.

23 SEC. 30. Section 12502 of the Corporations Code is amended
24 to read:

25 12502. (a) Except as provided in this section or Section 12503,
26 amendments may be adopted if approved by the board and
27 approved by the members before or after the approval by the board.

28 (b) Notwithstanding subdivision (a), the following amendments
29 may be adopted by approval of the board alone:

30 (1) An amendment extending the corporate existence or making
31 the corporate existence perpetual, if the corporation was organized
32 prior to August 14, 1929.

33 (2) An amendment deleting the initial street address and initial
34 mailing address of the corporation, the names and addresses of the
35 first directors, or the name and address of the initial agent.

36 (3) Any amendment, at a time the corporation has no members.

37 (c) Whenever the articles require for corporate action the
38 approval of a particular class of members or of a larger proportion
39 of, or all of, the votes of any class, or of a larger proportion of, or
40 all of, the directors, than is otherwise required by this part, the

1 provision in the articles requiring such greater vote shall not be
2 altered, amended or repealed except by such class or such greater
3 vote, unless otherwise provided in the articles.

4 SEC. 31. Section 12504 of the Corporations Code is amended
5 to read:

6 12504. (a) A corporation may amend its articles to change its
7 status to that of a nonprofit public benefit corporation, a nonprofit
8 mutual benefit corporation, a nonprofit religious corporation, or a
9 business corporation by complying with this section and the other
10 sections of this chapter.

11 (b) Except as authorized by Section 12501 or unless the
12 corporation has no members, an amendment to change its status
13 to a nonprofit public benefit corporation or a nonprofit religious
14 corporation shall: (1) be approved by the members (Section 12224),
15 and the fairness of the amendment to the members shall be
16 approved by the Commissioner of Corporations pursuant to Section
17 25142; or (2) be approved by the members (Section 12224) in an
18 election conducted by written ballot pursuant to Section 12463 in
19 which no negative votes are cast; or (3) be approved by 100 percent
20 of the voting power.

21 (c) Amended articles authorized by this section shall include
22 the provisions which would have been required (other than the
23 initial street address and initial mailing address of the corporation
24 and the name of the initial agent for service of process if a
25 statement has been filed pursuant to Section 12570), and may in
26 addition only include those provisions which would have been
27 permitted, in original articles filed by the type of corporation
28 (nonprofit public benefit, nonprofit mutual benefit, nonprofit
29 religious, or business) into which the corporation is changing its
30 status.

31 (d) At the time of filing a certificate of amendment to change
32 status to a nonprofit public benefit corporation, a corporation shall
33 furnish an additional copy of the certificate of amendment to the
34 Secretary of State who shall forward that copy to the Attorney
35 General.

36 SEC. 32. Section 12510 of the Corporations Code is amended
37 to read:

38 12510. (a) A corporation may restate in a single certificate the
39 entire text of its articles as amended by filing an officers' certificate
40 entitled "Restated Articles of Incorporation of (insert name of

1 corporation)” which shall set forth the articles as amended to the
2 date of filing of the certificate, except that the signatures and
3 acknowledgments of the incorporators and any statements
4 regarding the effect of any prior amendment upon memberships
5 and any provisions of agreements of merger (other than
6 amendments to the articles of the surviving corporation) and the
7 names, addresses, signatures and acknowledgments of the first
8 directors and the initial street address and initial mailing address
9 of the corporation and of the initial agent for service of process
10 shall be omitted (except that the initial street address and initial
11 mailing address of the corporation and the names and addresses
12 of the initial agent for service of process and the first directors
13 shall not be omitted prior to the time that the corporation has filed
14 a statement under Section 12570). Such omissions are not
15 alterations or amendments of the articles. The certificate may also
16 itself alter or amend the articles in any respect, in which case the
17 certificate must comply with Sections 12505 and 12506, as the
18 case may be, and Section 12507.

19 (b) If the certificate does not itself alter or amend the articles
20 in any respect, it shall be approved by the board and shall be subject
21 to the provisions of this chapter relating to an amendment of the
22 articles not requiring approval of the members (Section 12224).
23 If the certificate does itself alter or amend the articles, it shall be
24 subject to the provisions of this chapter relating to the amendment
25 or amendments so made.

26 (c) Restated articles of incorporation filed pursuant to this
27 section shall supersede for all purposes the original articles and
28 all amendments filed prior thereto.

29 SEC. 33. Section 12570 of the Corporations Code is amended
30 to read:

31 12570. (a) Every corporation shall, within 90 days after the
32 filing of its original articles and annually thereafter during the
33 applicable filing period in each year, file, on a form prescribed by
34 the Secretary of State, a statement containing: (1) the name of the
35 corporation and the Secretary of State’s file number; (2) the names
36 and complete business or residence addresses of its chief executive
37 officer or general manager, secretary, and chief financial officer;
38 (3) the street address of its principal office in this state, if any; (4)
39 the mailing address of the corporation, if different from the street
40 address of its principal office in this state; and (5) if the corporation

1 chooses to receive renewal notices and any other notifications from
2 the Secretary of State by electronic mail instead of by United States
3 mail, the corporation shall include a valid electronic mail address
4 for the corporation or for the corporation's designee to receive
5 those notices.

6 (b) The statement required by subdivision (a) shall also
7 designate, as the agent of the corporation for the purpose of service
8 of process, a natural person residing in this state or any domestic
9 or foreign corporation that has complied with Section 1505 and
10 whose capacity to act as an agent has not terminated. If a natural
11 person is designated, the statement shall set forth the person's
12 complete business or residence street address. If a corporate agent
13 is designated, no address for it shall be set forth.

14 (c) For the purposes of this section, the applicable filing period
15 for a corporation shall be the calendar month during which its
16 original articles were filed and the immediately preceding five
17 calendar months. The Secretary of State shall provide a notice to
18 each corporation to comply with this section approximately three
19 months prior to the close of the applicable filing period. The notice
20 shall state the due date for compliance and shall be sent to the last
21 address of the corporation according to the records of the Secretary
22 of State or to the last electronic mail address according to the
23 records of the Secretary of State if the corporation has elected to
24 receive notices from the Secretary of State by electronic mail.
25 Neither the failure of the Secretary of State to send the notice nor
26 the failure of the corporation to receive it is an excuse for failure
27 to comply with this section.

28 (d) Whenever any of the information required by subdivision
29 (a) is changed, the corporation may file a current statement
30 containing all the information required by subdivisions (a) and
31 (b). In order to change its agent for service of process or the address
32 of the agent, the corporation must file a current statement
33 containing all the information required by subdivisions (a) and
34 (b). Whenever any statement is filed pursuant to this section, it
35 supersedes any previously filed statement and the statement in the
36 articles as to the agent for service of process and the address of
37 the agent.

38 (e) The Secretary of State may destroy or otherwise dispose of
39 any statement filed pursuant to this section after it has been
40 superseded by the filing of a new statement.

1 (f) This section shall not be construed to place any person
2 dealing with the corporation on notice of, or under any duty to
3 inquire about, the existence or content of a statement filed pursuant
4 to this section.

5 SEC. 34. Section 13226 of the Corporations Code is amended
6 to read:

7 13226. The articles of incorporation shall state:

8 (a) The name of the association.

9 (b) The purposes for which it is formed.

10 (c) The county where the principal office for the transaction of
11 business of the corporation is to be located.

12 (d) The number of directors thereof, which shall be not less than
13 three and may be any number in excess thereof; the term of office
14 of such directors; and the names and residence of those who are
15 to serve as directors for the first year, or until election and
16 qualification of their successors.

17 (e) The initial street address of the association.

18 (f) The initial mailing address of the association, if different
19 from the initial street address.

20 (g) The name and street address in this state of the association's
21 initial agent for service of process in accordance with subdivision
22 (b) of Section 1502.

23 SEC. 35. Part 8 (commencing with Section 14350) of Division
24 3 of Title 1 of the Corporations Code is repealed.

25 SEC. 36. Part 10 (commencing with Section 14450) of Division
26 3 of Title 1 of the Corporations Code is repealed.

27 SEC. 37. Section 15901.16 of the Corporations Code is
28 amended to read:

29 15901.16. (a) In addition to Chapter 4 (commencing with
30 Section 413.10) of Title 5 of Part 2 of the Code of Civil Procedure,
31 process may be served upon limited partnerships and foreign
32 limited partnerships as provided in this section.

33 (b) Personal service of a copy of any process against the limited
34 partnership or the foreign limited partnership will constitute valid
35 service on the limited partnership if delivered either (1) to any
36 individual designated by it as agent or, if a limited partnership, to
37 any general partner or (2) if the designated agent or, if a limited
38 partnership, general partner is a corporation, to any person named
39 in the latest certificate of the corporate agent filed pursuant to
40 Section 1505 of the Corporations Code at the office of the corporate

1 agent or to any officer of the general partner, shall constitute valid
2 service on the limited partnership or the foreign limited partnership.
3 No change in the address of the agent for service of process where
4 the agent is an individual or appointment of a new agent for service
5 of process shall be effective (1) for a limited partnership until an
6 amendment to the certificate of limited partnership is filed or (2)
7 for a foreign limited partnership until an amendment to the
8 application for registration is filed. In the case of a foreign limited
9 partnership that has appointed the Secretary of State as agent for
10 service of process by reason of subdivision (b) of Section 15909.07,
11 process shall be delivered by hand to the Secretary of State, or to
12 any person employed in the capacity of assistant or deputy, which
13 shall be one copy of the process for each defendant to be served,
14 together with a copy of the court order authorizing the service and
15 the fee therefor. The order shall include and set forth an address
16 to which the process shall be sent by the Secretary of State.

17 (c) (1) If an agent for service of process has resigned and has
18 not been replaced or if the agent designated cannot with reasonable
19 diligence be found at the address designated for personal delivery
20 of the process, and it is shown by affidavit to the satisfaction of
21 the court that process against a limited partnership or foreign
22 limited partnership cannot be served with reasonable diligence
23 upon the designated agent or, if a foreign limited partnership, upon
24 any general partner by hand in the manner provided in Section
25 415.10, subdivision (a) of Section 415.20, or subdivision (a) of
26 Section 415.30 of the Code of Civil Procedure, the court may make
27 an order that the service shall be made upon a domestic limited
28 partnership which has filed a certificate or upon a foreign limited
29 partnership which has a certificate of registration to transact
30 business in this state by delivering by hand to the Secretary of
31 State, or to any person employed in the Secretary of State's office
32 in the capacity of assistant or deputy, one copy of the process for
33 each defendant to be served, together with a copy of the order
34 authorizing the service. Service in this manner shall be deemed
35 complete on the 10th day after delivery of the process to the
36 Secretary of State.

37 (2) Upon receipt of any such copy of process and the fee
38 therefor, the Secretary of State shall give notice of the service of
39 the process to the limited partnership or foreign limited partnership,

1 at its principal office, by forwarding to that office, by registered
2 mail with request for return receipt, the copy of the process.

3 (3) The Secretary of State shall keep a record of all process
4 served upon the Secretary of State under this chapter and shall
5 record therein the time of service and the Secretary of State's action
6 with reference thereto. A certificate under the Secretary of State's
7 official seal, certifying to the receipt of process, the giving of notice
8 thereof to the limited partnership or foreign limited partnership,
9 and the forwarding of the process pursuant to this section, shall
10 be competent and prima facie evidence of the matters stated therein.

11 (d) (1) The certificate of a limited partnership and the
12 application for a certificate of registration of a foreign limited
13 partnership shall designate, as the agent for service of process, an
14 individual residing in this state or a corporation which has complied
15 with Section 1505 of the Corporations Code and whose capacity
16 to act as an agent has not terminated. If an individual is designated,
17 the statement shall set forth that person's complete business or
18 residence street address in this state. If a corporate agent is
19 designated, no address for it shall be set forth.

20 (2) An agent designated for service of process may file with the
21 Secretary of State a signed and acknowledged written statement
22 of resignation as an agent. Thereupon the authority of the agent to
23 act in that capacity shall cease and the Secretary of State forthwith
24 shall give written notice of the filing of the certificate of resignation
25 by mail to the limited partnership or foreign limited partnership
26 addressed to its designated office.

27 (3) If an individual who has been designated agent for service
28 of process dies or resigns or no longer resides in the state or if the
29 corporate agent for that purpose, resigns, dissolves, withdraws
30 from the state, forfeits its right to transact intrastate business, has
31 its corporate rights, powers and privileges suspended or ceases to
32 exist, (A) the limited partnership shall promptly file an amendment
33 to the certificate designating a new agent or (B) the foreign limited
34 partnership shall promptly file an amendment to the application
35 for registration.

36 (e) In addition to any other discovery rights which may exist,
37 in any case pending in a California court having jurisdiction in
38 which a party seeks records from a partnership formed under this
39 chapter, whether or not the partnership is a party, the court shall
40 have the power to order the production in California of the books

1 and records of the partnership on the terms and conditions that the
2 court deems appropriate.

3 SEC. 38. Section 15902.01 of the Corporations Code is
4 amended to read:

5 15902.01. (a) In order for a limited partnership to be formed,
6 a certificate of limited partnership must be filed with and on a form
7 prescribed by the Secretary of State and, either before or after the
8 filing of a certificate of limited partnership, the partners shall have
9 entered into a partnership agreement. The certificate must state:

10 (1) the name of the limited partnership, which shall comply with
11 Section 15901.08;

12 (2) the street address of the initial designated office;

13 (3) the name and street address of the initial agent for service
14 of process in accordance with paragraph (1) of subdivision (d) of
15 Section 15901.16;

16 (4) the name and the address of each general partner; and

17 (5) the mailing address of the limited partnership, if different
18 from the address of the initial designated office.

19 (b) A certificate of limited partnership may also contain any
20 other matters but may not vary or otherwise affect the provisions
21 specified in subdivision (b) of Section 15901.10 in a manner
22 inconsistent with that section.

23 (c) Subject to subdivision (c) of Section 15902.06 a limited
24 partnership is formed when the Secretary of State files the
25 certificate of limited partnership.

26 (d) Subject to subdivision (b), if any provision of a partnership
27 agreement is inconsistent with the filed certificate of limited
28 partnership or with a filed certificate of dissociation, cancellation,
29 or amendment or filed certificate of conversion or merger:

30 (1) the partnership agreement prevails as to partners and
31 transferees; and

32 (2) the filed certificate of limited partnership, certificate of
33 dissociation, cancellation, or amendment or filed certificate of
34 conversion or merger prevails as to persons, other than partners
35 and transferees, that reasonably rely on the filed record to their
36 detriment.

37 (e) A limited partnership may record in the office of the county
38 recorder of any county in this state a certified copy of the certificate
39 of limited partnership, or any amendment thereto, which has been
40 filed by the Secretary of State. A foreign limited partnership may

1 record in the office of the county recorder of any county in the
2 state a certified copy of the application for registration to transact
3 business, together with the certificate of registration, referred to
4 in Section 15909.02, or any amendment thereto, which has been
5 filed by the Secretary of State. The recording shall create a
6 conclusive presumption in favor of any bona fide purchaser or
7 encumbrancer for value of the partnership real property located in
8 the county in which the certified copy has been recorded, that the
9 persons named as general partners therein are the general partners
10 of the partnership named and that they are all of the general
11 partners of the partnership.

12 (f) The Secretary of State may cancel the filing of certificates
13 of limited partnership if a check or other remittance accepted in
14 payment of the filing fee is not paid upon presentation. For partners
15 and transferees, the partnership agreement is paramount. Upon
16 receiving written notification that the item presented for payment
17 has not been honored for payment, the Secretary of State shall give
18 a first written notice of the applicability of this section to the agent
19 for service of process or to the person submitting the instrument.
20 Thereafter, if the amount has not been paid by cashier's check or
21 equivalent, the Secretary of State shall give a second written notice
22 of cancellation and the cancellation shall thereupon be effective.
23 The second notice shall be given 20 days or more after the first
24 notice and 90 days or less after the original filing.

25 (g) The Secretary of State shall include with instructional
26 materials, provided in conjunction with the form for filing a
27 certificate of limited partnership under subdivision (a), a notice
28 that the filing of the certificate of limited partnership will obligate
29 the limited partnership to pay an annual tax for that taxable year
30 to the Franchise Tax Board pursuant to Section 17935 of the
31 Revenue and Taxation Code. That notice shall be updated annually
32 to specify the dollar amount of the annual tax.

33 SEC. 39. Section 15909.02 of the Corporations Code is
34 amended to read:

35 15909.02. (a) A foreign limited partnership may apply for a
36 certificate of registration to transact business in this state by
37 delivering an application signed and acknowledged by a general
38 partner of the foreign limited partnership to, and on a form
39 prescribed by, the Secretary of State for filing. The application
40 shall state:

1 (1) the name of the foreign limited partnership and, if the name
2 does not comply with Section 15901.08, an alternate name adopted
3 pursuant to subdivision (a) of Section 15909.05;

4 (2) the name of the state or other jurisdiction under whose law
5 the foreign limited partnership is organized and the date of its
6 formation;

7 (3) the street address of the foreign limited partnership's
8 designated office and, if the laws of the jurisdiction under which
9 the foreign limited partnership is organized require the foreign
10 limited partnership to maintain an office in that jurisdiction, the
11 address of the required office;

12 (4) the mailing address of the foreign limited partnership's
13 designated office, if different from the street address;

14 (5) the name and street address of the foreign limited
15 partnership's initial agent for service of process in this state in
16 accordance with paragraph (1) of subdivision (d) of Section
17 15901.16;

18 (6) the name and address of each of the foreign limited
19 partnership's general partners; and

20 (7) whether the foreign limited partnership is a foreign limited
21 liability limited partnership.

22 (b) A foreign limited partnership shall deliver with the
23 completed application a certificate of existence or a record of
24 similar import signed by the Secretary of State or other official
25 having custody of the foreign limited partnership's publicly filed
26 records in the state or other jurisdiction under whose law the
27 foreign limited partnership is organized.

28 SEC. 40. Section 16303 of the Corporations Code is amended
29 to read:

30 16303. (a) A partnership may file a statement of partnership
31 authority, which is subject to all of the following:

32 (1) The statement shall include all of the following:

33 (A) The name of the partnership.

34 (B) The street address of its chief executive office and of one
35 office in this state, if there is one.

36 (C) The mailing address of its chief executive office, if different
37 from the street addresses specified pursuant to subparagraph (B).

38 (D) The names and mailing addresses of all of the partners or
39 of an agent appointed and maintained by the partnership for the
40 purpose of subdivision (b).

1 (E) The names of the partners authorized to execute an
2 instrument transferring real property held in the name of the
3 partnership.

4 (2) The statement may specify the authority, or limitations on
5 the authority, of some or all of the partners to enter into other
6 transactions on behalf of the partnership and any other matter.

7 (b) If a statement of partnership authority names an agent, the
8 agent shall maintain a list of the names and mailing addresses of
9 all of the partners and make it available to any person on request
10 for good cause shown.

11 (c) If a filed statement of partnership authority is executed
12 pursuant to subdivision (c) of Section 16105 and states the name
13 of the partnership but does not contain all of the other information
14 required by subdivision (a), the statement nevertheless operates
15 with respect to a person not a partner as provided in subdivisions
16 (d) and (e).

17 (d) A filed statement of partnership authority supplements the
18 authority of a partner to enter into transactions on behalf of the
19 partnership as follows:

20 (1) Except for transfers of real property, a grant of authority
21 contained in a filed statement of partnership authority is conclusive
22 in favor of a person who gives value without knowledge to the
23 contrary, so long as and to the extent that a limitation on that
24 authority is not then contained in another filed statement. A filed
25 cancellation of a limitation on authority revives the previous grant
26 of authority.

27 (2) A grant of authority to transfer real property held in the name
28 of the partnership contained in a certified copy of a filed statement
29 of partnership authority recorded in the office for recording
30 transfers of that real property is conclusive in favor of a person
31 who gives value without knowledge to the contrary, so long as and
32 to the extent that a certified copy of a filed statement containing
33 a limitation on that authority is not then of record in the office for
34 recording transfers of that real property. The recording in the office
35 for recording transfers of that real property of a certified copy of
36 a filed cancellation of a limitation on authority revives the previous
37 grant of authority.

38 (e) A person not a partner is deemed to know of a limitation on
39 the authority of a partner to transfer real property held in the name
40 of the partnership if a certified copy of the filed statement

1 containing the limitation on authority is of record in the office for
2 recording transfers of that real property.

3 (f) Except as otherwise provided in subdivisions (d) and (e) and
4 Sections 16704 and 16805, a person not a partner is not deemed
5 to know of a limitation on the authority of a partner merely because
6 the limitation is contained in a filed statement.

7 SEC. 41. Section 16309 of the Corporations Code is amended
8 to read:

9 16309. (a) The statement of partnership authority may
10 designate an agent for service of process. The agent may be an
11 individual residing in this state or a corporation that has complied
12 with Section 1505 and whose capacity to act as an agent has not
13 terminated. If an individual is designated, the statement shall
14 include that person's complete business or residence street address
15 in this state. If a corporate agent is designated, no address for that
16 agent shall be set forth.

17 (b) An agent designated for service of process may file with the
18 Secretary of State a signed and acknowledged written statement
19 of resignation as an agent. On filing of the statement of resignation,
20 the authority of the agent to act in that capacity shall cease and the
21 Secretary of State shall give written notice of the filing of the
22 statement of resignation by mail to the partnership, addressed to
23 its principal executive office.

24 (c) If an individual who has been designated agent for service
25 of process dies or resigns or no longer resides in the state, or if the
26 corporate agent for that purpose resigns, dissolves, withdraws from
27 the state, forfeits its right to transact intrastate business, has its
28 corporate rights, powers, and privileges suspended, or ceases to
29 exist, the partnership or foreign partnership shall promptly file an
30 amended statement of partnership authority, designating a new
31 agent.

32 SEC. 42. Section 16953 of the Corporations Code is amended
33 to read:

34 16953. (a) To become a registered limited liability partnership,
35 a partnership, other than a limited partnership, shall file with the
36 Secretary of State a registration, executed by one or more partners
37 authorized to execute a registration, stating all of the following:

- 38 (1) The name of the partnership.
39 (2) The street address of its principal office.

1 (3) The mailing address of its principal office, if different from
2 the street address.

3 (4) The name and street address of the agent for service of
4 process on the limited liability partnership in California in
5 accordance with subdivision (a) of Section 16309.

6 (5) A brief statement of the business in which the partnership
7 engages.

8 (6) Any other matters that the partnership determines to include.

9 (7) That the partnership is registering as a registered limited
10 liability partnership.

11 (b) The registration shall be accompanied by a fee as set forth
12 in subdivision (a) of Section 12189 of the Government Code.

13 (c) The Secretary of State shall register as a registered limited
14 liability partnership any partnership that submits a completed
15 registration with the required fee.

16 (d) The Secretary of State may cancel the filing of the
17 registration if a check or other remittance accepted in payment of
18 the filing fee is not paid upon presentation. Upon receiving written
19 notification that the item presented for payment has not been
20 honored for payment, the Secretary of State shall give a first written
21 notice of the applicability of this section to the agent for service
22 of process or to the person submitting the instrument. Thereafter,
23 if the amount has not been paid by cashier's check or equivalent,
24 the Secretary of State shall give a second written notice of
25 cancellation and the cancellation shall thereupon be effective. The
26 second notice shall be given 20 days or more after the first notice
27 and 90 days or less after the date of the original filing.

28 (e) A partnership becomes a registered limited liability
29 partnership at the time of the filing of the initial registration with
30 the Secretary of State or at any later date or time specified in the
31 registration and the payment of the fee required by subdivision
32 (b). A partnership continues as a registered limited liability
33 partnership until a notice that it is no longer a registered limited
34 liability partnership has been filed pursuant to subdivision (b) of
35 Section 16954 or, if applicable, until it has been dissolved and
36 finally wound up. The status of a partnership as a registered limited
37 liability partnership and the liability of a partner of the registered
38 limited liability partnership shall not be adversely affected by
39 errors or subsequent changes in the information stated in a

1 registration under subdivision (a) or an amended registration or
2 notice under Section 16954.

3 (f) The fact that a registration or amended registration pursuant
4 to this section is on file with the Secretary of State is notice that
5 the partnership is a registered limited liability partnership and of
6 those other facts contained therein that are required to be set forth
7 in the registration or amended registration.

8 (g) The Secretary of State shall provide a form for a registration
9 under subdivision (a), which shall include the form for confirming
10 compliance with the optional security requirement pursuant to
11 subdivision (c) of Section 16956. The Secretary of State shall
12 include with instructional materials provided in conjunction with
13 the form for a registration under subdivision (a) a notice that filing
14 the registration will obligate the limited liability partnership to pay
15 an annual tax for that taxable year to the Franchise Tax Board
16 pursuant to Section 17948 of the Revenue and Taxation Code.
17 That notice shall be updated annually to specify the dollar amount
18 of the tax.

19 (h) A limited liability partnership providing professional limited
20 liability partnership services in this state shall comply with all
21 statutory and administrative registration or filing requirements of
22 the state board, commission, or other agency that prescribes the
23 rules and regulations governing the particular profession in which
24 the partnership proposes to engage, pursuant to the applicable
25 provisions of the Business and Professions Code relating to that
26 profession. The state board, commission, or other agency shall not
27 disclose, unless compelled by a subpoena or other order of a court
28 of competent jurisdiction, any information it receives in the course
29 of evaluating the compliance of a limited liability partnership with
30 applicable statutory and administrative registration or filing
31 requirements, provided that nothing in this section shall be
32 construed to prevent a state board, commission, or other agency
33 from disclosing the manner in which the limited liability
34 partnership has complied with the requirements of Section 16956,
35 or the compliance or noncompliance by the limited liability
36 partnership with any other requirements of the state board,
37 commission, or other agency.

38 SEC. 43. Section 16959 of the Corporations Code, as amended
39 by Section 9 of Chapter 634 of the Statutes of 2010, is amended
40 to read:

1 16959. (a) (1) Before transacting intrastate business in this
2 state, a foreign limited liability partnership shall comply with all
3 statutory and administrative registration or filing requirements of
4 the state board, commission, or agency that prescribes the rules
5 and regulations governing a particular profession in which the
6 partnership proposes to be engaged, pursuant to the applicable
7 provisions of the Business and Professions Code relating to the
8 profession or applicable rules adopted by the governing board. A
9 foreign limited liability partnership that transacts intrastate business
10 in this state shall within 30 days after the effective date of the act
11 enacting this section or the date on which the foreign limited
12 liability partnership first transacts intrastate business in this state,
13 whichever is later, register with the Secretary of State by submitting
14 to the Secretary of State an application for registration as a foreign
15 limited liability partnership, signed by a person with authority to
16 do so under the laws of the jurisdiction of formation of the foreign
17 limited liability partnership, stating the name of the partnership,
18 the street address of its principal office, the mailing address of the
19 principal office if different from the street address, the name and
20 street address of its agent for service of process in this state in
21 accordance with subdivision (a) of Section 16309, a brief statement
22 of the business in which the partnership engages, and any other
23 matters that the partnership determines to include.

24 (2) Annexed to the application for registration shall be a
25 certificate from an authorized public official of the foreign limited
26 liability partnership's jurisdiction of organization to the effect that
27 the foreign limited liability partnership is in good standing in that
28 jurisdiction, if the laws of that jurisdiction permit the issuance of
29 those certificates, or, in the alternative, a statement by the foreign
30 limited liability partnership that the laws of its jurisdiction of
31 organization do not permit the issuance of those certificates.

32 (b) The registration shall be accompanied by a fee as set forth
33 in subdivision (b) of Section 12189 of the Government Code.

34 (c) The Secretary of State shall register as a foreign limited
35 liability partnership any partnership that submits a completed
36 application for registration with the required fee.

37 (d) The Secretary of State may cancel the filing of the
38 registration if a check or other remittance accepted in payment of
39 the filing fee is not paid upon presentation. Upon receiving written
40 notification that the item presented for payment has not been

1 honored for payment, the Secretary of State shall give a first written
2 notice of the applicability of this section to the agent for service
3 of process or to the person submitting the instrument. Thereafter,
4 if the amount has not been paid by cashier's check or equivalent,
5 the Secretary of State shall give a second written notice of
6 cancellation and the cancellation shall thereupon be effective. The
7 second notice shall be given 20 days or more after the first notice
8 and 90 days or less after the original filing.

9 (e) A partnership becomes registered as a foreign limited liability
10 partnership at the time of the filing of the initial registration with
11 the Secretary of State or at any later date or time specified in the
12 registration and the payment of the fee required by subdivision
13 (b). A partnership continues to be registered as a foreign limited
14 liability partnership until a notice that it is no longer so registered
15 as a foreign limited liability partnership has been filed pursuant to
16 Section 16960 or, if applicable, once it has been dissolved and
17 finally wound up. The status of a partnership registered as a foreign
18 limited liability partnership and the liability of a partner of that
19 foreign limited liability partnership shall not be adversely affected
20 by errors or subsequent changes in the information stated in an
21 application for registration under subdivision (a) or an amended
22 registration or notice under Section 16960.

23 (f) The fact that a registration or amended registration pursuant
24 to Section 16960 is on file with the Secretary of State is notice that
25 the partnership is a foreign limited liability partnership and of those
26 other facts contained therein that are required to be set forth in the
27 registration or amended registration.

28 (g) The Secretary of State shall provide a form for a registration
29 under subdivision (a), which shall include the form for confirming
30 compliance with the optional security requirement pursuant to
31 subdivision (c) of Section 16956. The Secretary of State shall
32 include with instructional materials, provided in conjunction with
33 the form for registration under subdivision (a), a notice that filing
34 the registration will obligate the limited liability partnership to pay
35 an annual tax for that taxable year to the Franchise Tax Board
36 pursuant to Section 17948 of the Revenue and Taxation Code.
37 That notice shall be updated annually to specify the dollar amount
38 of this tax.

39 (h) A foreign limited liability partnership transacting intrastate
40 business in this state shall not maintain any action, suit, or

1 proceeding in any court of this state until it has registered in this
2 state pursuant to this section.

3 (i) Any foreign limited liability partnership that transacts
4 intrastate business in this state without registration is subject to a
5 penalty of twenty dollars (\$20) for each day that unauthorized
6 intrastate business is transacted, up to a maximum of ten thousand
7 dollars (\$10,000).

8 (j) A partner of a foreign limited liability partnership is not liable
9 for the debts or obligations of the foreign limited liability
10 partnership solely by reason of its having transacted business in
11 this state without registration.

12 (k) A foreign limited liability partnership, transacting business
13 in this state without registration, appoints the Secretary of State
14 as its agent for service of process with respect to causes of action
15 arising out of the transaction of business in this state.

16 (l) “Transact intrastate business” as used in this section means
17 to repeatedly and successively provide professional limited liability
18 partnership services in this state, other than in interstate or foreign
19 commerce.

20 (m) Without excluding other activities that may not be
21 considered to be transacting intrastate business, a foreign limited
22 liability partnership shall not be considered to be transacting
23 intrastate business merely because its subsidiary or affiliate
24 transacts intrastate business, or merely because of its status as any
25 one or more of the following:

26 (1) A shareholder of a domestic corporation.

27 (2) A shareholder of a foreign corporation transacting intrastate
28 business.

29 (3) A limited partner of a foreign limited partnership transacting
30 intrastate business.

31 (4) A limited partner of a domestic limited partnership.

32 (5) A member or manager of a foreign limited liability company
33 transacting intrastate business.

34 (6) A member or manager of a domestic limited liability
35 company.

36 (n) Without excluding other activities that may not be considered
37 to be transacting intrastate business, a foreign limited liability
38 partnership shall not be considered to be transacting intrastate
39 business within the meaning of this subdivision solely by reason

1 of carrying on in this state any one or more of the following
2 activities:

3 (1) Maintaining or defending any action or suit or any
4 administrative or arbitration proceeding, or effecting the settlement
5 thereof or the settlement of claims or disputes.

6 (2) Holding meetings of its partners or carrying on any other
7 activities concerning its internal affairs.

8 (3) Maintaining bank accounts.

9 (4) Maintaining offices or agencies for the transfer, exchange,
10 and registration of the foreign limited liability partnership's
11 securities or maintaining trustees or depositories with respect to
12 those securities.

13 (5) Effecting sales through independent contractors.

14 (6) Soliciting or procuring orders, whether by mail or through
15 employees or agents or otherwise, where those orders require
16 acceptance without this state before becoming binding contracts.

17 (7) Creating or acquiring evidences of debt or mortgages, liens,
18 or security interest in real or personal property.

19 (8) Securing or collecting debts or enforcing mortgages and
20 security interests in property securing the debts.

21 (9) Conducting an isolated transaction that is completed within
22 180 days and not in the course of a number of repeated transactions
23 of a like nature.

24 (o) A person shall not be deemed to be transacting intrastate
25 business in this state merely because of its status as a partner of a
26 registered limited liability partnership or a foreign limited liability
27 company whether or not registered to transact intrastate business
28 in this state.

29 (p) The Attorney General may bring an action to restrain a
30 foreign limited liability partnership from transacting intrastate
31 business in this state in violation of this chapter.

32 (q) Nothing in this section is intended to, or shall, augment,
33 diminish, or otherwise alter existing provisions of law, statutes,
34 or court rules relating to services by a California architect,
35 California public accountant, California engineer, California land
36 surveyor, or California attorney in another jurisdiction, or services
37 by an out-of-state architect, out-of-state public accountant,
38 out-of-state engineer, out-of-state land surveyor, or out-of-state
39 attorney in California.

1 (r) This section shall remain in effect only until January 1, 2016,
2 and as of that date is repealed, unless a later enacted statute, that
3 is enacted before January 1, 2016, deletes or extends that date.

4 SEC. 44. Section 16959 of the Corporations Code, as added
5 by Section 10 of Chapter 634 of the Statutes of 2010, is amended
6 to read:

7 16959. (a) (1) Before transacting intrastate business in this
8 state, a foreign limited liability partnership shall comply with all
9 statutory and administrative registration or filing requirements of
10 the state board, commission, or agency that prescribes the rules
11 and regulations governing a particular profession in which the
12 partnership proposes to be engaged, pursuant to the applicable
13 provisions of the Business and Professions Code relating to the
14 profession or applicable rules adopted by the governing board. A
15 foreign limited liability partnership that transacts intrastate business
16 in this state shall within 30 days after the effective date of the act
17 enacting this section or the date on which the foreign limited
18 liability partnership first transacts intrastate business in this state,
19 whichever is later, register with the Secretary of State by submitting
20 to the Secretary of State an application for registration as a foreign
21 limited liability partnership, signed by a person with authority to
22 do so under the laws of the jurisdiction of formation of the foreign
23 limited liability partnership, stating the name of the partnership,
24 the street address of its principal office, the mailing address of the
25 principal office if different from the street address, the name and
26 street address of its agent for service of process in this state in
27 accordance with subdivision (a) of Section 16309, a brief statement
28 of the business in which the partnership engages, and any other
29 matters that the partnership determines to include.

30 (2) Annexed to the application for registration shall be a
31 certificate from an authorized public official of the foreign limited
32 liability partnership's jurisdiction of organization to the effect that
33 the foreign limited liability partnership is in good standing in that
34 jurisdiction, if the laws of that jurisdiction permit the issuance of
35 those certificates, or, in the alternative, a statement by the foreign
36 limited liability partnership that the laws of its jurisdiction of
37 organization do not permit the issuance of those certificates.

38 (b) The registration shall be accompanied by a fee as set forth
39 in subdivision (b) of Section 12189 of the Government Code.

1 (c) The Secretary of State shall register as a foreign limited
2 liability partnership any partnership that submits a completed
3 application for registration with the required fee.

4 (d) The Secretary of State may cancel the filing of the
5 registration if a check or other remittance accepted in payment of
6 the filing fee is not paid upon presentation. Upon receiving written
7 notification that the item presented for payment has not been
8 honored for payment, the Secretary of State shall give a first written
9 notice of the applicability of this section to the agent for service
10 of process or to the person submitting the instrument. Thereafter,
11 if the amount has not been paid by cashier's check or equivalent,
12 the Secretary of State shall give a second written notice of
13 cancellation and the cancellation shall thereupon be effective. The
14 second notice shall be given 20 days or more after the first notice
15 and 90 days or less after the original filing.

16 (e) A partnership becomes registered as a foreign limited liability
17 partnership at the time of the filing of the initial registration with
18 the Secretary of State or at any later date or time specified in the
19 registration and the payment of the fee required by subdivision
20 (b). A partnership continues to be registered as a foreign limited
21 liability partnership until a notice that it is no longer so registered
22 as a foreign limited liability partnership has been filed pursuant to
23 Section 16960 or, if applicable, once it has been dissolved and
24 finally wound up. The status of a partnership registered as a foreign
25 limited liability partnership and the liability of a partner of that
26 foreign limited liability partnership shall not be adversely affected
27 by errors or subsequent changes in the information stated in an
28 application for registration under subdivision (a) or an amended
29 registration or notice under Section 16960.

30 (f) The fact that a registration or amended registration pursuant
31 to Section 16960 is on file with the Secretary of State is notice that
32 the partnership is a foreign limited liability partnership and of those
33 other facts contained therein that are required to be set forth in the
34 registration or amended registration.

35 (g) The Secretary of State shall provide a form for a registration
36 under subdivision (a), which shall include the form for confirming
37 compliance with the optional security requirement pursuant to
38 subdivision (c) of Section 16956. The Secretary of State shall
39 include with instructional materials, provided in conjunction with
40 the form for registration under subdivision (a), a notice that filing

1 the registration will obligate the limited liability partnership to pay
2 an annual tax for that taxable year to the Franchise Tax Board
3 pursuant to Section 17948 of the Revenue and Taxation Code.
4 That notice shall be updated annually to specify the dollar amount
5 of this tax.

6 (h) A foreign limited liability partnership transacting intrastate
7 business in this state shall not maintain any action, suit, or
8 proceeding in any court of this state until it has registered in this
9 state pursuant to this section.

10 (i) Any foreign limited liability partnership that transacts
11 intrastate business in this state without registration is subject to a
12 penalty of twenty dollars (\$20) for each day that unauthorized
13 intrastate business is transacted, up to a maximum of ten thousand
14 dollars (\$10,000).

15 (j) A partner of a foreign limited liability partnership is not liable
16 for the debts or obligations of the foreign limited liability
17 partnership solely by reason of its having transacted business in
18 this state without registration.

19 (k) A foreign limited liability partnership, transacting business
20 in this state without registration, appoints the Secretary of State
21 as its agent for service of process with respect to causes of action
22 arising out of the transaction of business in this state.

23 (l) “Transact intrastate business” as used in this section means
24 to repeatedly and successively provide professional limited liability
25 partnership services in this state, other than in interstate or foreign
26 commerce.

27 (m) Without excluding other activities that may not be
28 considered to be transacting intrastate business, a foreign limited
29 liability partnership shall not be considered to be transacting
30 intrastate business merely because its subsidiary or affiliate
31 transacts intrastate business, or merely because of its status as any
32 one or more of the following:

33 (1) A shareholder of a domestic corporation.

34 (2) A shareholder of a foreign corporation transacting intrastate
35 business.

36 (3) A limited partner of a foreign limited partnership transacting
37 intrastate business.

38 (4) A limited partner of a domestic limited partnership.

39 (5) A member or manager of a foreign limited liability company
40 transacting intrastate business.

1 (6) A member or manager of a domestic limited liability
2 company.

3 (n) Without excluding other activities that may not be considered
4 to be transacting intrastate business, a foreign limited liability
5 partnership shall not be considered to be transacting intrastate
6 business within the meaning of this subdivision solely by reason
7 of carrying on in this state any one or more of the following
8 activities:

9 (1) Maintaining or defending any action or suit or any
10 administrative or arbitration proceeding, or effecting the settlement
11 thereof or the settlement of claims or disputes.

12 (2) Holding meetings of its partners or carrying on any other
13 activities concerning its internal affairs.

14 (3) Maintaining bank accounts.

15 (4) Maintaining offices or agencies for the transfer, exchange,
16 and registration of the foreign limited liability partnership's
17 securities or maintaining trustees or depositories with respect to
18 those securities.

19 (5) Effecting sales through independent contractors.

20 (6) Soliciting or procuring orders, whether by mail or through
21 employees or agents or otherwise, where those orders require
22 acceptance without this state before becoming binding contracts.

23 (7) Creating or acquiring evidences of debt or mortgages, liens,
24 or security interest in real or personal property.

25 (8) Securing or collecting debts or enforcing mortgages and
26 security interests in property securing the debts.

27 (9) Conducting an isolated transaction that is completed within
28 180 days and not in the course of a number of repeated transactions
29 of a like nature.

30 (o) A person shall not be deemed to be transacting intrastate
31 business in this state merely because of its status as a partner of a
32 registered limited liability partnership or a foreign limited liability
33 company whether or not registered to transact intrastate business
34 in this state.

35 (p) The Attorney General may bring an action to restrain a
36 foreign limited liability partnership from transacting intrastate
37 business in this state in violation of this chapter.

38 (q) Nothing in this section is intended to, or shall, augment,
39 diminish, or otherwise alter existing provisions of law, statutes,
40 or court rules relating to services by a California architect,

1 California public accountant, or California attorney in another
2 jurisdiction, or services by an out-of-state architect, out-of-state
3 public accountant, or out-of-state attorney in California.

4 (r) This section shall become operative on January 1, 2016.

5 SEC. 45. Section 17051 of the Corporations Code is amended
6 to read:

7 17051. (a) The articles of organization shall set forth:

8 (1) The name of the limited liability company.

9 (2) The following statement:

10

11 “The purpose of the limited liability company is to engage in
12 any lawful act or activity for which a limited liability company
13 may be organized under the Beverly-Killea Limited Liability
14 Company Act.”

15

16 (3) [RESERVED]

17 (4) The name and street address of the initial agent for service
18 of process on the limited liability company who meets the
19 qualifications specified in paragraph (1) of subdivision (d) of
20 Section 17061, unless a corporate agent is designated, in which
21 case only the name of the agent shall be set forth.

22 (5) The initial street address of the limited liability company.

23 (6) The initial mailing address of the limited liability company,
24 if different from the initial street address.

25 (7) If the limited liability company is to be managed by one or
26 more managers and not by all its members, the statement referred
27 to in subdivision (b) of Section 17151. If the limited liability
28 company is to be managed by only one manager, the articles of
29 organization shall contain a statement to that effect.

30 (b) It is not necessary to set out in the articles of organization
31 any of the powers of a limited liability company enumerated in
32 this title.

33 (c) The articles of organization may contain any other provision
34 not inconsistent with law, including, but not limited to:

35 (1) A provision limiting or restricting the business in which the
36 limited liability company may engage or the powers that the limited
37 liability company may exercise or both.

38 (2) Provisions governing the admission of members to the
39 limited liability company.

1 (3) The time at which the limited liability company is to
2 dissolve.

3 (4) Any events that will cause a dissolution of the limited
4 liability company.

5 (5) A statement of whether there are limitations on the authority
6 of managers or members to bind the limited liability company,
7 and, if so, what the limitations are.

8 (6) The names of the managers of the limited liability company.

9 (d) No limitation upon the business, purposes, or powers of the
10 limited liability company contained in or implied by the articles
11 of organization or the operating agreement may be asserted by any
12 person, except in one of the following types of proceedings:

13 (1) In a proceeding by a member or the state to enjoin the doing
14 of unauthorized business by the limited liability company or its
15 managers or officers, if third parties have not acquired rights
16 thereby.

17 (2) In a proceeding to dissolve the limited liability company.

18 (3) In a derivative proceeding by the limited liability company
19 or by a member suing on the company's behalf against the officers
20 or managers of the limited liability company for violation of their
21 authority. However, the limitation may not be asserted if the person
22 asserting the limitation had actual knowledge of the limitation at
23 the time of the act or event complained of.

24 (e) The Secretary of State may cancel the filing of articles of
25 organization if a check or other remittance accepted in payment
26 of the filing fee is not paid upon presentation. Upon receiving
27 written notification that the item presented for payment has not
28 been honored for payment, the Secretary of State shall give a first
29 written notice of the applicability of this section to the agent for
30 service of process or to the person submitting the instrument.
31 Thereafter, if the amount has not been paid by cashier's check or
32 equivalent, the Secretary of State shall give a second written notice
33 of cancellation and the cancellation shall be effective at that time.
34 The second notice shall be given 20 days or more after the first
35 notice and 90 days or less after the original filing.

36 SEC. 46. Section 17054 of the Corporations Code is amended
37 to read:

38 17054. (a) Subject to subdivision (b) of Section 17103, the
39 articles of organization may be amended at any time and in any
40 manner as the members may determine, as long as the articles of

1 organization as amended contain only those provisions as it would
2 be lawful to insert in original articles of organization filed at the
3 time of the filing of the amendment. The articles of organization
4 may be amended regardless of whether any provision contained
5 in the amendment was permissible at the time of the original
6 organization of the limited liability company.

7 (b) The articles of organization shall be amended by filing a
8 certificate of amendment thereto duly executed by at least one
9 manager, unless a greater number is provided in the articles of
10 organization. The certificate of amendment shall be filed with, and
11 on a form prescribed by, the Secretary of State, and shall set forth
12 all of the following:

13 (1) The name and the Secretary of State's file number of the
14 limited liability company.

15 (2) The text of the amendment to the articles of organization.

16 (c) A limited liability company shall not amend its articles of
17 organization to alter any statement that may appear in the original
18 articles of organization of the street address and mailing address
19 of the limited liability company, or name and address of the initial
20 agent for service of process, except to correct an error in the
21 statement or to delete the information after filing a statement
22 pursuant to Section 17060. A certificate of amendment to the
23 articles of organization shall be filed to effect any of the following:

24 (1) A change in the name of the limited liability company.

25 (2) Any change in the statement referred to in subdivision (b)
26 of Section 17151.

27 (3) Any change in the time as stated in the articles of
28 organization for the dissolution of the limited liability company.

29 (4) Any change in the events that will cause a dissolution of the
30 limited liability company.

31 (d) The managers shall cause to be filed a certificate of
32 amendment to the articles of organization within 30 days of the
33 discovery by any of the managers of any false or erroneous material
34 statement contained in the articles of organization or any
35 amendment thereto.

36 (e) Any manager who executes a certificate of amendment shall
37 be liable for any statement materially inconsistent with the
38 operating agreement or any material misstatement of fact contained
39 in the certificate of amendment if the manager knew or should
40 have known that the statement was false when made or that the

1 statement became false and an amendment required by subdivision
2 (d) was not filed, and the person suffering the loss relied on the
3 statement or misstatement.

4 (f) Articles of organization may be restated at any time. Restated
5 articles of organization shall be filed with, and on a form prescribed
6 by, the Secretary of State, shall be specifically designated as
7 restated in the heading, shall set forth the limited liability
8 company's name and the Secretary of State's file number, and may
9 set forth any other matters that may be set forth as authorized by
10 Section 17051, except that if the limited liability company has
11 filed the statement required by Section 17060, the initial street
12 address and initial mailing address of the limited liability company,
13 and name and address of the initial agent for service of process
14 shall not be set forth. If the name of the limited liability company
15 is to be changed by the filing of the restated articles of organization,
16 the old name shall also be set forth in a manner to indicate the
17 intent to change the name. The restated articles of organization
18 shall supersede the initial articles of organization and all
19 amendments thereto previously filed with the Secretary of State.

20 SEC. 47. Section 17060 of the Corporations Code is amended
21 to read:

22 17060. (a) Every limited liability company and every foreign
23 limited liability company registered to transact intrastate business
24 in this state shall file within 90 days after the filing of its original
25 articles of organization and biennially thereafter during the
26 applicable filing period, on a form prescribed by the Secretary of
27 State, a statement containing:

28 (1) The name of the limited liability company and the Secretary
29 of State's file number and, in the case of a foreign limited liability
30 company, the state under the laws of which it is organized.

31 (2) The name and street address of the agent for service of
32 process required to be maintained pursuant to subdivision (b) of
33 Section 17057. If a corporate agent is designated, only the name
34 of the agent shall be set forth.

35 (3) The street address of its principal executive office and, in
36 the case of a domestic limited liability company, of the office
37 required to be maintained pursuant to Section 17057.

38 (4) The mailing address of the limited liability company, if
39 different from the street address of its principal executive office.

1 (5) The name and complete business or residence addresses of
2 any manager or managers and the chief executive officer, if any,
3 appointed or elected in accordance with the articles of organization
4 or operating agreement or, if no manager has been so elected or
5 appointed, the name and business or residence address of each
6 member.

7 (6) If the limited liability company chooses to receive renewal
8 notices and any other notifications from the Secretary of State by
9 electronic mail instead of by United States mail, the limited liability
10 company shall include a valid electronic mail address for the
11 limited liability company or for the limited liability company's
12 designee to receive those notices.

13 (7) The general type of business that constitutes the principal
14 business activity of the limited liability company (for example,
15 manufacturer of aircraft; wholesale liquor distributor; or retail
16 department store).

17 (b) If there has been no change in the information in the last
18 filed statement of the limited liability company on file in the
19 Secretary of State's office, the limited liability company may, in
20 lieu of filing the statement required by subdivision (a), advise the
21 Secretary of State, on a form prescribed by the Secretary of State,
22 that no changes in the required information have occurred during
23 the applicable filing period.

24 (c) For the purposes of this section, the applicable filing period
25 for a limited liability company shall be the calendar month during
26 which its original articles of organization were filed or, in the case
27 of a foreign limited liability company, the month during which its
28 application for registration was filed, and the immediately
29 preceding five calendar months. The Secretary of State shall
30 provide a notice to each limited liability company to comply with
31 this section approximately three months prior to the close of the
32 applicable filing period. The notice shall state the due date for
33 compliance and shall be sent to the last address of the limited
34 liability company according to the records of the Secretary of State
35 or to the last electronic mail address according to the records of
36 the Secretary of State if the limited liability company has elected
37 to receive notices from the Secretary of State by electronic mail.
38 The failure of the limited liability company to receive the form
39 shall not exempt the limited liability company from complying
40 with this section.

1 (d) Whenever any of the information required by subdivision
2 (a) changes, other than the name and address of the agent for
3 service of process, or whenever the street address, mailing address,
4 or electronic mail address of the limited liability company changes,
5 the limited liability company may file a current statement
6 containing all the information required by subdivision (a).
7 Whenever changing its agent for service of process or whenever
8 the address of the agent changes, or whenever the street address,
9 mailing address, or electronic mail address of the limited liability
10 company changes, the limited liability company shall file a current
11 statement containing all the information required by subdivision
12 (a). Whenever any statement is filed pursuant to this section, that
13 statement supersedes any previously filed statement pursuant to
14 this section, the statement in the original articles of organization,
15 and the statement in any previously filed restated articles of
16 organization that have been filed, or in the case of a foreign limited
17 liability company, in the application for registration.

18 (e) The Secretary of State may destroy or otherwise dispose of
19 any statement filed pursuant to this section after it has been
20 superseded by the filing of a new statement.

21 (f) This section shall not be construed to place any person
22 dealing with the limited liability company on notice of, or under
23 any duty to inquire about, the existence or content of a statement
24 filed pursuant to this section.

25 SEC. 48. Section 17062 of the Corporations Code is amended
26 to read:

27 17062. An instrument shall be deemed filed, and the date of
28 filing endorsed thereon, upon receipt by the Secretary of State of
29 any instrument accompanied by the fee prescribed in Article 3
30 (commencing with Section 12180) of Chapter 3 of Part 2 of
31 Division 3 of Title 2 of the Government Code. The date of filing
32 shall be the date the instrument is received by the Secretary of
33 State unless the instrument provides that it is to be withheld from
34 filing until a future date not to exceed 90 days from receipt or
35 unless, in the judgment of the Secretary of State, the filing is
36 intended to be coordinated with the filing of some other document
37 that cannot be filed. The Secretary of State shall file a document
38 as of any requested future date not more than 90 days after its
39 receipt, including a Saturday, Sunday, or legal holiday, if that
40 document is received in the Secretary of State's office at least one

1 business day prior to the requested date of filing. Upon receipt and
2 after filing of any document under this title, the Secretary of State
3 may microfilm or reproduce by other techniques any filings or
4 documents and destroy the original filing or document. The
5 microfilm or other reproduction of any document under the
6 provision of this section shall be admissible in any court of law.

7 SEC. 49. Section 17451 of the Corporations Code is amended
8 to read:

9 17451. (a) Before transacting intrastate business in this state,
10 a foreign limited liability company shall register with the Secretary
11 of State. In order to register, a foreign limited liability company
12 shall submit to the Secretary of State an application for registration
13 as a foreign limited liability company, signed by a person with
14 authority to do so under the laws of the state of its organization,
15 on a form prescribed by the Secretary of State and setting forth:

16 (1) The name of the foreign limited liability company and, if
17 different, the name under which it proposes to transact business
18 in this state.

19 (2) The state and date of its organization and a statement that
20 the foreign limited liability company is authorized to exercise its
21 powers and privileges in that state.

22 (3) The name and street address of an agent for service of
23 process on the foreign limited liability company meeting the
24 qualifications specified in paragraph (1) of subdivision (d) of
25 Section 17061, unless a corporate agent is designated, in which
26 case only the name of the agent shall be set forth.

27 (4) A statement that the Secretary of State is appointed the agent
28 of the foreign limited liability company for service of process if
29 the agent has resigned and has not been replaced or if the agent
30 cannot be found or served with the exercise of reasonable diligence.

31 (5) The initial street address of the principal executive office of
32 the foreign limited liability company and of its principal office in
33 this state, if any.

34 (6) The initial mailing address of the foreign limited liability
35 company if different from the initial street address of the principal
36 executive office or principal office in this state.

37 (b) Annexed to the application for registration shall be a
38 certificate from an authorized public official of the foreign limited
39 liability company's jurisdiction of organization to the effect that
40 the foreign limited liability company is in good standing in that

1 jurisdiction, if the laws of that jurisdiction permit the issuance of
2 those certificates; or, in the alternative, a statement by the foreign
3 limited liability company that the laws of its jurisdiction of
4 organization do not permit the issuance of those certificates.

5 (c) The Secretary of State may cancel the application and
6 certificate of registration of a foreign limited liability company if
7 a check or other remittance accepted in payment of the filing fee
8 is not paid upon presentation. Upon receiving written notification
9 that the item presented for payment has not been honored for
10 payment, the Secretary of State shall give a first written notice of
11 the applicability of this section to the agent for service of process
12 or to the person submitting the instrument. Thereafter, if the amount
13 has not been paid by cashier's check or equivalent, the Secretary
14 of State shall give a second written notice of cancellation and the
15 cancellation shall thereupon be effective. The second notice shall
16 be given 20 days or more after the first notice and 90 days or less
17 after the original filing.

18 (d) The Secretary of State shall include with instructional
19 materials, provided in conjunction with registration under
20 subdivision (a), a notice that filing the registration will obligate
21 the limited liability company to pay an annual tax to the Franchise
22 Tax Board pursuant to Section 17941 of the Revenue and Taxation
23 Code. That notice shall be updated annually to specify the dollar
24 amount of the tax.

25 SEC. 50. Section 17454 of the Corporations Code is amended
26 to read:

27 17454. If any statement in the application for registration of a
28 foreign limited liability company (other than the initial street
29 address and initial mailing address or the name of the initial agent
30 for service of process if a statement has been filed pursuant to
31 Section 17060), was false when made or any statements made have
32 become erroneous, the foreign limited liability company shall
33 promptly file in the office of the Secretary of State an amendment
34 to the application for registration, signed by a person with authority
35 to do so under the laws of the state of its organization, amending
36 the statement.

37 SEC. 51. Section 17654 of the Corporations Code is amended
38 to read:

39 17654. (a) A limited liability company that (1) fails to file a
40 statement pursuant to Section 17060 for an applicable filing period,

1 (2) has not filed a statement pursuant to Section 17060 during the
2 preceding 24 months, and (3) was certified for penalty pursuant
3 to Section 17653 for the same filing period, shall be subject to
4 suspension pursuant to this section rather than to penalty pursuant
5 to Section 17653.

6 (b) When subdivision (a) is applicable, the Secretary of State
7 shall notify the limited liability company that its powers, rights,
8 and privileges will be suspended after 60 days if it fails to file a
9 statement pursuant to Section 17060.

10 (c) After the expiration of the 60-day period without any
11 statement filed pursuant to Section 17060, the Secretary of State
12 shall notify the Franchise Tax Board of the suspension, and provide
13 a notice of the suspension to the limited liability company and
14 thereupon, except for the purpose of amending the articles of
15 organization to set forth a new name, the powers, rights, and
16 privileges of the limited liability company are suspended.

17 (d) A statement pursuant to Section 17060 may be filed
18 notwithstanding suspension of the powers, rights, and privileges
19 pursuant to this section or Section 23301 or 23301.5 of the Revenue
20 and Taxation Code. Upon the filing of a statement pursuant to
21 Section 17060 by a limited liability company that has suffered
22 suspension pursuant to this section, the Secretary of State shall
23 certify that fact to the Franchise Tax Board and the limited liability
24 company may thereupon be relieved from suspension unless the
25 limited liability company is held in suspension by the Franchise
26 Tax Board by reason of Section 23301 or 23301.5 of the Revenue
27 and Taxation Code.

28 SEC. 52. Section 18200 of the Corporations Code is amended
29 to read:

30 18200. (a) An unincorporated association may file with the
31 Secretary of State, on a form prescribed by the Secretary of State,
32 a statement containing either of the following:

33 (1) A statement designating the location and complete street
34 address of the unincorporated association's principal office in this
35 state. Only one place may be designated.

36 (2) A statement (A) designating the location and complete street
37 address of the unincorporated association's principal office in this
38 state in accordance with paragraph (1) or, if the unincorporated
39 association does not have an office in this state, designating the
40 complete street address and mailing address, if different, of the

1 unincorporated association to which the Secretary of State shall
2 send any notices required to be sent to the association under
3 Sections 18210 and 18215, and (B) designating as agent of the
4 association for service of process any natural person residing in
5 this state or any corporation that has complied with Section 1505
6 and whose capacity to act as an agent has not terminated.

7 (b) If a natural person is designated as agent for service of
8 process, the statement shall include the person's complete business
9 or residence street address. If a corporate agent is designated, no
10 address for it shall be included.

11 (c) Filing is deemed complete on acceptance by the Secretary
12 of State of the statement and the filing fee.

13 (d) At any time, an unincorporated association that has filed a
14 statement under this section may file a new statement superseding
15 the last previously filed statement. If the new statement does not
16 designate an agent for service of process, the filing of the new
17 statement shall be deemed to revoke the designation of an agent
18 previously designated. A statement filed under this section expires
19 five years from December 31 following the date it was filed in the
20 office of the Secretary of State, unless previously superseded by
21 the filing of a new statement.

22 (e) Delivery by hand of a copy of any process against the
23 unincorporated association (1) to any natural person designated
24 by it as agent, or (2) if the association has designated a corporate
25 agent, to any person named in the last certificate of the corporate
26 agent filed pursuant to Section 1505 at the office of the corporate
27 agent shall constitute valid service on the association.

28 (f) For filing a statement as provided in this section, the
29 Secretary of State shall charge and collect the fee provided in
30 paragraph (1) of subdivision (b) of Section 12191 of the
31 Government Code for filing a designation of agent.

32 (g) Notwithstanding Section 18055, a statement filed by a
33 partnership under former Section 24003 is subject to this chapter
34 until the statement is revoked or expires.

35 SEC. 53. Section 14101 of the Financial Code is amended to
36 read:

37 14101. The articles of incorporation of every credit union shall
38 set forth the following:

39 (a) The name of the corporation, which shall include the phrase
40 "credit union."

1 (b) (1) The following statement:

2 The purpose of the corporation is to engage in credit union
3 business and any other lawful activities which are not prohibited
4 to a credit union by applicable laws or regulations.

5 (2) By December 31, 2003, each credit union that immediately
6 prior to the enactment of this section was authorized to operate as
7 a credit union shall amend its articles to comply with the provisions
8 of paragraph (1). Notwithstanding Section 7813.5 of the
9 Corporations Code, the amendment of the articles of a credit union
10 as required by paragraph (1) may be adopted by approval of the
11 board alone.

12 (c) The name and street address in this state of the corporation's
13 initial agent for service of process in accordance with subdivision
14 (b) of Section 8210 of the Corporations Code.

15 (d) The names and addresses of five or more persons appointed
16 to act as initial directors.

17 (e) The street address of the corporation.

18 (f) The mailing address of the corporation, if different from the
19 street address.

20 SEC. 54. Section 12178.1 of the Government Code is amended
21 to read:

22 12178.1. (a) Except for copies of documents on file prepared
23 pursuant to Section 12182, the fee for preparing a copy of any law,
24 resolution, record, or other document on file in the office of the
25 Secretary of State, is one dollar (\$1) for the first page, and fifty
26 cents (\$0.50) for each additional page.

27 (b) Except for copies of documents on file prepared pursuant
28 to subdivision (a), the Secretary of State shall provide compilations,
29 indexes, extracts, or summaries of information, including computer
30 information, contained in the public records of the Secretary of
31 State at a charge sufficient to recover costs. Except where a fee or
32 charge is prescribed by statute, the fee or charge imposed pursuant
33 to this subdivision shall not exceed ten dollars (\$10) per inquiry.

34 (c) The Secretary of State may enter into contracts to provide
35 information and copies and access to information, including direct
36 access to computer information. The contracts may include
37 reasonable conditions for access to information. The amounts
38 payable pursuant to these contracts shall be sufficient to recover
39 costs.

1 (d) The Secretary of State may require persons and firms
2 regularly using the research facilities of the Secretary of State to
3 use those research facilities only pursuant to a contract under
4 subdivision (c).

5 (e) All fees, reimbursements, and contract amounts pursuant to
6 this section shall be accounted as Secretary of State expenditure
7 reimbursements.

8 (f) Fees for special handling pursuant to Section 12182 are in
9 addition to amounts pursuant to this section.

10 SEC. 55. Section 12185 of the Government Code is amended
11 to read:

12 12185. Upon the filing of any document pursuant to any
13 provision of the Corporations Code for which there is a filing fee
14 of twenty-five dollars (\$25) or more, at the time of filing the
15 Secretary of State shall provide a copy without charge.

16 SEC. 56. Section 12191 of the Government Code is amended
17 to read:

18 12191. The miscellaneous business entity filing fees are the
19 following:

20 (a) Foreign Associations, as defined in Sections 170 and 171
21 of the Corporations Code:

22 (1) Filing the statement and designation upon the qualification
23 of a foreign association pursuant to Section 2105 of the
24 Corporations Code: One hundred dollars (\$100).

25 (2) Filing an amended statement and designation by a foreign
26 association pursuant to Section 2107 of the Corporations Code:
27 Thirty dollars (\$30).

28 (3) Filing a certificate showing the surrender of the right of a
29 foreign association to transact intrastate business pursuant to
30 Section 2112 of the Corporations Code: No fee.

31 (b) Unincorporated Associations:

32 (1) Filing a statement in accordance with Section 18200 of the
33 Corporations Code as to principal place of office or place for
34 sending notices or designating agent for service: Twenty-five
35 dollars (\$25).

36 (2) Insignia Registrations: Ten dollars (\$10).

37 (c) Community Associations and Common Interest
38 Developments:

39 (1) Filing a statement by a community association in accordance
40 with Section 1363.6 of the Civil Code to register the common

- 1 interest development that it manages: An amount not to exceed
- 2 thirty dollars (\$30).
- 3 (2) Filing an amended statement by a community association
- 4 in accordance with Section 1363.6 of the Civil Code: No fee.

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