

AMENDED IN ASSEMBLY AUGUST 7, 2014

AMENDED IN SENATE APRIL 21, 2014

AMENDED IN SENATE MARCH 28, 2014

SENATE BILL

No. 1041

Introduced by Senator Jackson

February 18, 2014

An act to amend Sections 109.5, 1155, 1503, 2101, 2105, 2107, 2112, 2204, 3304, 5120, 5817, 6211, 6611, 6810, 8211, 8611, 8810, 12571, 12631, 12670, 15901.09, 15901.16, 15902.01, 15902.04, 15902.07, 15903.06, 15906.05, 15909.06, 15909.07, 15911.06, 16309, 16906, 16915, 16953, 16959, 16960, 17701.09, 17701.15, 17702.02, 17702.03, 17702.06, 17707.08, 17708.05, 17708.06, 17710.06, 17710.14, and 18210 of the Corporations Code, to amend Section 14101.6 of the Financial Code, and to amend Section 12261 of the Government Code, relating to business.

LEGISLATIVE COUNSEL'S DIGEST

SB 1041, as amended, Jackson. Business: filings.

Existing law requires certain business entities, including, but not limited to, a corporation, a limited partnership, a foreign corporation, a foreign limited partnership, a limited liability partnership, a foreign limited liability partnership, a flexible purpose corporation, a limited liability company, an unincorporated association, and a credit union, to make various filings with the Secretary of State. Existing law authorizes agents designated for service of process for specified entities to file a written statement of resignation as that agent with the Secretary of State. Existing law allows a person to apply for and reserve a name for a business entity with the Secretary of State. Existing law requires

the Secretary of State to reinstate a fraudulently terminated business entity upon court order.

This bill, among other things, would require the written statement of resignation to be made on a form prescribed by the Secretary of State for filing, as specified, and would allow the Secretary of State to destroy or otherwise dispose of a resignation after a new form is filed, replacing the agent. This bill would allow a person to cancel the registration of the name of specified business entities by delivering to the Secretary of State a certificate of cancellation of the entity’s name on a form prescribed by the Secretary of State. This bill would require a foreign limited liability company that adopts a new name to relinquish an alternate name, as provided. This bill would additionally condition reinstatement of a fraudulently terminated business entity upon the business entity concurrently submitting for filing an amendment to change its name to eliminate conflict, if there is a conflict with the entity name, as provided.

This bill would incorporate additional changes to Sections 1155 and 3304 of the Corporations Code proposed by SB 1301 that would become operative only if this bill and SB 1301 are both chaptered and this bill is chaptered last.

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. Section 109.5 of the Corporations Code is
 2 amended to read:
 3 109.5. (a) Provisions of the articles described in paragraph (3)
 4 of subdivision (g) of Section 202 and subdivisions (a) and (b) of
 5 Section 204 may be made dependent upon facts ascertainable
 6 outside the articles, if the manner in which those facts shall operate
 7 upon those provisions is clearly and expressly set forth in the
 8 articles. Similarly, any of the terms of an agreement of merger
 9 pursuant to Section 1101 may be made dependent upon facts
 10 ascertainable outside that agreement, if the manner in which those
 11 facts shall operate upon the terms of the agreement is clearly and
 12 expressly set forth in the agreement of merger.
 13 (b) Notwithstanding subdivision (a), when any provisions or
 14 terms of articles or an agreement of merger are made dependent
 15 upon facts ascertainable outside the filed instrument through a

1 reference to an agreement or similar document, the corporation
2 filing that instrument shall (1) maintain at its principal executive
3 office a copy of any such agreement or document and all
4 amendments and (2) provide to its shareholders, in the case of
5 articles, or to shareholders of any constituent corporation, in the
6 case of an agreement of merger, a copy of them upon written
7 request and without charge.

8 (c) If the reference to an agreement or contract is a reference to
9 an agreement or contract to which the corporation is a party (a
10 “referenced agreement” in this section), any amendment or revision
11 of the referenced agreement requires shareholder approval, in
12 addition to approvals otherwise required, in the following instances
13 and no other:

14 (1) If the amendment or revision of the referenced agreement
15 would result in a material change in the rights, preferences,
16 privileges, or restrictions of a class or series of shares, the
17 amendment or revision of the referenced agreement is required to
18 be approved by the outstanding shares (Section 152) of that class
19 or series.

20 (2) If the amendment or revision of the referenced agreement
21 would result in a material change in the rights or liabilities of any
22 class or series of shares with respect to the subject matter of
23 paragraph (1), (2), (3), (5), or (9) of subdivision (a) of Section 204,
24 the amendment or revision of the referenced agreement is required
25 to be approved by the outstanding shares (Section 152) of that
26 class or series.

27 (3) If the amendment or revision of the referenced agreement
28 would result in a material change in the restrictions on transfer or
29 hypothecation of any class or series of shares, the amendment or
30 revision of the referenced agreement is required to be approved
31 by the outstanding shares (Section 152) of that class or series.

32 (4) If the amendment or revision of the referenced agreement
33 would result in a change of any of the principal terms of an
34 agreement of merger, the amendment or revision of the referenced
35 agreement is required to be approved in the same manner as
36 required by Section 1104 for a change in the principal terms of an
37 agreement of merger.

38 SEC. 2. Section 1155 of the Corporations Code is amended to
39 read:

40 1155. (a) To convert a corporation:

- 1 (1) If the corporation is converting into a domestic limited
2 partnership, a statement of conversion shall be completed on the
3 certificate of limited partnership for the converted entity.
- 4 (2) If the corporation is converting into a domestic partnership,
5 a statement of conversion shall be completed on the statement of
6 partnership authority for the converted entity, or if no statement
7 of partnership authority is filed then a certificate of conversion
8 shall be filed separately.
- 9 (3) If the corporation is converting into a domestic limited
10 liability company, a statement of conversion shall be completed
11 on the articles of organization for the converted entity.
- 12 (4) If the corporation is converting into a flexible purpose
13 corporation, a statement of conversion shall be completed on the
14 articles for the converted entity.
- 15 (b) Any statement or certificate of conversion of a converting
16 corporation shall be executed and acknowledged by those officers
17 of the converting corporation as would be required to sign an
18 officers' certificate (Section 173), and shall set forth all of the
19 following:
- 20 (1) The name of the converting corporation and the Secretary
21 of State's file number of the converting corporation.
- 22 (2) A statement of the total number of outstanding shares of
23 each class entitled to vote on the conversion, that the principal
24 terms of the plan of conversion were approved by a vote of the
25 number of shares of each class which equaled or exceeded the vote
26 required under Section 1152, specifying each class entitled to vote
27 and the percentage vote required of each class.
- 28 (3) The name, form, and jurisdiction of organization of the
29 converted entity.
- 30 (4) The name and street address of the corporation's agent for
31 service of process. If a corporation qualified under Section 1505
32 is designated, no address for it shall be set forth.
- 33 (c) For the purposes of this chapter, the certificate of conversion
34 shall be on a form prescribed by the Secretary of State.
- 35 (d) The filing with the Secretary of State of a statement of
36 conversion on an organizational document or a certificate of
37 conversion as set forth in subdivision (a) shall have the effect of
38 the filing of a certificate of dissolution by the converting
39 corporation and no converting corporation that has made the filing
40 is required to file a certificate of election under Section 1901 or a

1 certificate of dissolution under Section 1905 as a result of that
2 conversion.

3 (e) Upon the effectiveness of a conversion pursuant to this
4 chapter, a converted entity that is a flexible purpose corporation,
5 domestic partnership, domestic limited partnership, or domestic
6 limited liability company shall be deemed to have assumed the
7 liability of the converting corporation (1) to prepare and file or
8 cause to be prepared and filed all tax and information returns
9 otherwise required of the converting corporation under the
10 Corporation Tax Law (Part 11 (commencing with Section 23001)
11 of Division 2 of the Revenue and Taxation Code) and (2) to pay
12 any tax liability determined to be due pursuant to that law.

13 *SEC. 2.5. Section 1155 of the Corporations Code is amended*
14 *to read:*

15 1155. (a) To convert a corporation:

16 (1) If the corporation is converting into a domestic limited
17 partnership, a statement of conversion shall be completed on the
18 certificate of limited partnership for the converted entity.

19 (2) If the corporation is converting into a domestic partnership,
20 a statement of conversion shall be completed on the statement of
21 partnership authority for the converted entity, or if no statement
22 of partnership authority is filed then a certificate of conversion
23 shall be filed separately.

24 (3) If the corporation is converting into a domestic limited
25 liability company, a statement of conversion shall be completed
26 on the articles of organization for the converted entity.

27 ~~(4) If the corporation is converting into a flexible purpose~~
28 ~~corporation, a statement of conversion shall be completed on the~~
29 ~~articles for the converted entity.~~

30 (b) Any statement or certificate of conversion of a converting
31 corporation shall be executed and acknowledged by those officers
32 of the converting corporation as would be required to sign an
33 officers' certificate (Section 173), and shall set forth all of the
34 following:

35 (1) The name *of the converting corporation* and the Secretary
36 of State's file number of the converting corporation.

37 (2) A statement of the total number of outstanding shares of
38 each class entitled to vote on the conversion, that the principal
39 terms of the plan of conversion were approved by a vote of the
40 number of shares of each class which equaled or exceeded the vote

1 required under Section 1152, specifying each class entitled to vote
2 and the percentage vote required of each class.

3 (3) The name, form, and jurisdiction of organization of the
4 converted entity.

5 (4) *The name and street address of the corporation's agent for*
6 *service of process. If a corporation qualified under Section 1505*
7 *is designated, no address for it shall be set forth.*

8 (c) For the purposes of this chapter, the certificate of conversion
9 shall be on a form prescribed by the Secretary of State.

10 (d) The filing with the Secretary of State of a statement of
11 conversion on an organizational document or a certificate of
12 conversion as set forth in subdivision (a) shall have the effect of
13 the filing of a certificate of dissolution by the converting
14 corporation and no converting corporation that has made the filing
15 is required to file a certificate of election under Section 1901 or a
16 certificate of dissolution under Section 1905 as a result of that
17 conversion.

18 (e) Upon the effectiveness of a conversion pursuant to this
19 chapter, a converted entity that is a ~~flexible purpose corporation;~~
20 domestic partnership, domestic limited ~~partnership~~ *partnership*,
21 or domestic limited liability company shall be deemed to have
22 assumed the liability of the converting corporation (1) to prepare
23 and file or cause to be prepared and filed all tax and information
24 returns otherwise required of the converting corporation under the
25 Corporation Tax Law (Part 11 (commencing with Section 23001)
26 of Division 2 of the Revenue and Taxation Code) and (2) to pay
27 any tax liability determined to be due pursuant to that law.

28 SEC. 3. Section 1503 of the Corporations Code is amended to
29 read:

30 1503. (a) An agent designated for service of process pursuant
31 to Section 202, 1502, 2105, or 2117 may deliver to the Secretary
32 of State, on a form prescribed by the Secretary of State for filing,
33 a signed and acknowledged written statement of resignation as an
34 agent for service of process. The form shall contain the name of
35 the corporation, the Secretary of State's file number of the
36 corporation, the name of the resigning agent for service of process,
37 and a statement that the agent is resigning. Thereupon the authority
38 of the agent to act in such capacity shall cease and the Secretary
39 of State forthwith shall mail or otherwise provide written notice

1 of the filing of the statement of resignation to the corporation at
2 its principal executive office.

3 (b) The resignation of an agent may be effective if, on a form
4 prescribed by the Secretary of State containing the name of the
5 corporation, the Secretary of State's file number for the corporation,
6 and the name of the resigning agent for service of process, the
7 agent disclaims having been properly appointed as the agent.
8 Similarly, a person named as an officer or director may indicate
9 that the person was never properly appointed as the officer or
10 director.

11 (c) The Secretary of State may destroy or otherwise dispose of
12 any resignation filed pursuant to this section after a new form is
13 filed pursuant to Section 1502 or 2117 replacing the agent for
14 service of process that has resigned.

15 SEC. 4. Section 2101 of the Corporations Code is amended to
16 read:

17 2101. (a) Any foreign corporation (other than a foreign
18 association) not transacting intrastate business may register its
19 corporate name with the Secretary of State, provided its corporate
20 name would be available pursuant to Section 201 to a new
21 corporation organized under this division at the time of such
22 registration.

23 (b) Such registration may be made by filing (1) an application
24 for registration signed by a corporate officer stating the name of
25 the corporation, the state or place under the laws of which it is
26 incorporated, the date of its incorporation, and that it desires to
27 register its name under this section; and (2) a certificate of an
28 authorized public official of the state or place in which it is
29 organized stating that such corporation is in good standing under
30 those laws. Such registration shall be effective until the close of
31 the calendar year in which the application for registration is filed.

32 (c) A corporation that has in effect a registration of its corporate
33 name may renew such registration from year to year by annually
34 filing an application for renewal setting forth the facts required to
35 be set forth in an original application for registration and a
36 certificate of good standing as required for the original registration
37 between the first day of October and the 31st day of December in
38 each year. Such renewal application shall extend the registration
39 for the following calendar year.

1 (d) A corporation that has in effect a registration of its corporate
 2 name may cancel the registration by delivering to the Secretary of
 3 State, on a form prescribed by the Secretary of State for filing, a
 4 certificate of cancellation of foreign name registration signed by
 5 a corporate officer containing the name of the corporation and the
 6 Secretary of State’s file number of the corporation.

7 SEC. 5. Section 2105 of the Corporations Code is amended to
 8 read:

9 2105. (a) A foreign corporation shall not transact intrastate
 10 business without having first obtained from the Secretary of State
 11 a certificate of qualification. To obtain that certificate it shall file,
 12 on a form prescribed by the Secretary of State, a statement and
 13 designation signed by a corporate officer or, in the case of a foreign
 14 association that has no officers, signed by a trustee stating:

15 (1) Its name and the state or place of its incorporation or
 16 organization.

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

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

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

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

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

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

1 of delivery if delivered by United States mail, overnight delivery
2 service, or facsimile to a person or entity listed in Section 2110.

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

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

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

15 SEC. 6. Section 2107 of the Corporations Code is amended to
16 read:

17 2107. (a) If any foreign corporation (but not a foreign
18 association) qualified to transact intrastate business shall change
19 its name or make a change affecting an assumed name under
20 Section 2106, it shall file, on a form prescribed by the Secretary
21 of State, an amended statement signed by a corporate officer setting
22 forth the change made. The amended statement shall set forth the
23 name relinquished as well as the new name assumed and there
24 shall be annexed to the amended statement a certificate of an
25 authorized public official of its state or place of incorporation that
26 the change of name was made in accordance with the laws of that
27 state or place. Upon the filing of the amended statement, the
28 Secretary of State shall issue a new certificate of qualification.

29 (b) If any foreign association qualified to transact intrastate
30 business shall change its name, the address of its principal office
31 in this state, the address of its principal executive office or its agent
32 for the service of process, or if the stated address of any natural
33 person designated as agent is changed, it shall file, on a form
34 prescribed by the Secretary of State, an amended statement and
35 designation signed by an officer or, in the case of a foreign
36 association that has no officers, signed by a trustee setting forth
37 the change or changes made. In the case of a change of name, the
38 amended statement and designation shall set forth the name
39 relinquished as well as the new name assumed and there shall be
40 annexed to the amended statement and designation an officer's

1 certificate, or trustee’s certificate, if applicable, stating that such
2 change of name was made in accordance with its declaration of
3 trust. If the change includes a change of name, or a change affecting
4 an assumed name pursuant to Section 2106, upon the filing of the
5 amended statement, the Secretary of State shall issue a new
6 certificate of qualification.

7 (c) If the change includes a change of name of an insurer subject
8 to the Insurance Code, the form shall include a statement that the
9 corporation is such an insurer if it does not already so appear.

10 (d) If a foreign corporation qualified to transact business in this
11 state shall change the address of its principal office in this state,
12 the address of its principal executive office, or its agent for the
13 service of process, or if the stated address of any natural person
14 designated as agent is changed, the filing of a statement pursuant
15 to Section 2117 shall supersede the statement and designation with
16 respect thereto.

17 SEC. 7. Section 2112 of the Corporations Code is amended to
18 read:

19 2112. (a) Subject to Section 2113, a foreign corporation which
20 has qualified to transact intrastate business may surrender its right
21 to engage in that business within this state by filing a certificate
22 of surrender signed by a corporate officer or, in the case of a
23 foreign association that has no officers, signed by a trustee stating:

24 (1) The name of the corporation as shown on the records of the
25 Secretary of State, and the state or place of incorporation or
26 organization.

27 (2) That it revokes its designation of agent for service of process.

28 (3) That it surrenders its authority to transact intrastate business.

29 (4) That it consents that process against it in any action upon
30 any liability or obligation incurred within this state prior to the
31 filing of the certificate of withdrawal may be served upon the
32 Secretary of State.

33 (5) A post office address to which the Secretary of State may
34 mail a copy of any process against the corporation that is served
35 upon the Secretary of State, which address or the name to which
36 the process should be sent may be changed from time to time by
37 filing a statement signed by a corporate officer or, in the case of
38 a foreign association that has no officers, signed by a trustee stating
39 the new address or name or both.

1 (6) Except in the case of a foreign association, that a final
2 franchise tax return, as described by Section 23332 of the Revenue
3 and Taxation Code, has been or will be filed with the Franchise
4 Tax Board, as required under Part 10.2 (commencing with Section
5 18401) of Division 2 of the Revenue and Taxation Code.

6 (b) The Secretary of State shall notify the Franchise Tax Board
7 of the surrender.

8 SEC. 8. Section 2204 of the Corporations Code is amended to
9 read:

10 2204. (a) Upon the failure of a corporation to file the statement
11 required by Section 1502, the Secretary of State shall provide a
12 notice of that delinquency to the corporation. The notice shall also
13 contain information concerning the application of this section,
14 advise the corporation of the penalty imposed by Section 19141
15 of the Revenue and Taxation Code for failure to timely file the
16 required statement after notice of the delinquency has been
17 provided by the Secretary of State, and shall advise the corporation
18 of its right to request relief from the Secretary of State because of
19 reasonable cause or unusual circumstances that justify the failure
20 to file. If, within 60 days of providing notice of the delinquency,
21 a statement pursuant to Section 1502 has not been filed by the
22 corporation, the Secretary of State shall certify the name of the
23 corporation to the Franchise Tax Board.

24 (b) Upon certification pursuant to subdivision (a), the Franchise
25 Tax Board shall assess against the corporation the penalty provided
26 in Section 19141 of the Revenue and Taxation Code.

27 (c) The penalty herein provided shall not apply to a corporation
28 that on or prior to the date of certification pursuant to subdivision
29 (a) has dissolved, has converted to another type of business entity,
30 or has been merged into another corporation or other business
31 entity.

32 (d) The penalty herein provided shall not apply and the Secretary
33 of State need not provide a notice of the delinquency to a
34 corporation if the corporate powers, rights, and privileges have
35 been suspended by the Franchise Tax Board pursuant to Section
36 23301, 23301.5, or 23775 of the Revenue and Taxation Code on
37 or prior to, and remain suspended on, the last day of the filing
38 period pursuant to Section 1502. The Secretary of State need not
39 provide notice of the filing requirement pursuant to Section 1502
40 to a corporation if the corporate powers, rights, and privileges have

1 been so suspended by the Franchise Tax Board on or prior to, and
2 remain suspended on, the day the Secretary of State prepares the
3 notice for sending.

4 (e) If, after certification pursuant to subdivision (a), the Secretary
5 of State finds (1) the required statement was filed before the
6 expiration of the 60-day period after providing notice of the
7 delinquency, or (2) the failure to provide notice of delinquency
8 was due to an error of the Secretary of State, the Secretary of State
9 shall promptly decertify the name of the corporation to the
10 Franchise Tax Board. The Franchise Tax Board shall then promptly
11 abate any penalty assessed against the corporation pursuant to
12 Section 19141 of the Revenue and Taxation Code.

13 (f) If the Secretary of State determines that the failure of a
14 corporation to file the statement required by Section 1502 is
15 excusable because of reasonable cause or unusual circumstances
16 that justify the failure, the Secretary of State may waive the penalty
17 imposed by this section and by Section 19141 of the Revenue and
18 Taxation Code, in which case the Secretary of State shall not certify
19 the name of the corporation to the Franchise Tax Board, or if
20 already certified, the Secretary of State shall promptly decertify
21 the name of the corporation.

22 SEC. 9. Section 3304 of the Corporations Code is amended to
23 read:

24 3304. (a) To convert a flexible purpose corporation:

25 (1) If the flexible purpose corporation is converting into a
26 domestic limited partnership, a statement of conversion shall be
27 completed on the certificate of limited partnership for the converted
28 entity.

29 (2) If the flexible purpose corporation is converting into a
30 domestic partnership, a statement of conversion shall be completed
31 on the statement of partnership authority for the converted entity,
32 or if no statement of partnership authority is filed, then a certificate
33 of conversion shall be filed separately.

34 (3) If the flexible purpose corporation is converting into a
35 domestic limited liability company, a statement of conversion shall
36 be completed on the articles of organization for the converted
37 entity.

38 (4) If the flexible purpose corporation is converting into a
39 domestic corporation, a statement of conversion shall be completed
40 on the articles for the converted entity.

1 (b) Any statement or certificate of conversion of a converting
2 flexible purpose corporation shall be executed and acknowledged
3 by those officers of the converting flexible purpose corporation as
4 would be required to sign an officers' certificate, and shall set forth
5 all of the following:

6 (1) The name and the Secretary of State's file number of the
7 converting flexible purpose corporation.

8 (2) A statement of the total number of outstanding shares of
9 each class entitled to vote on the conversion, that the principal
10 terms of the plan of conversion were approved by a vote of the
11 number of shares of each class which equaled or exceeded the vote
12 required under Section ~~3301~~ 3302, specifying each class entitled
13 to vote and the percentage vote required of each class.

14 (3) The name, form, and jurisdiction of organization of the
15 converted entity.

16 (4) The name and street address of the converted entity's agent
17 for service of process. If a corporation qualified under Section
18 1505 is designated as the agent, no address for it shall be set forth.

19 (c) The certificate of conversion shall be on a form prescribed
20 by the Secretary of State.

21 (d) The filing with the Secretary of State of a statement of
22 conversion on an organizational document or a certificate of
23 conversion as set forth in subdivision (a) shall have the effect of
24 the filing of a certificate of dissolution by the converting flexible
25 purpose corporation and no converting flexible purpose corporation
26 that has made the filing is required to file a certificate of election
27 under Section 1901 or a certificate of dissolution under Section
28 1905 as a result of that conversion.

29 (e) Upon the effectiveness of a conversion pursuant to this
30 chapter, a converted entity that is a domestic partnership, domestic
31 limited partnership, or domestic limited liability company shall
32 be deemed to have assumed the liability of the converting flexible
33 purpose corporation to prepare and file or cause to be prepared
34 and filed all tax and information returns otherwise required of the
35 converting flexible purpose corporation under the Corporation Tax
36 Law (Part 11 (commencing with Section 23001) of Division 2 of
37 the Revenue and Taxation Code) and to pay any tax liability
38 determined to be due pursuant to that law.

39 *SEC. 9.5. Section 3304 of the Corporations Code is amended*
40 *to read:*

1 3304. (a) To convert a ~~flexible~~ *social* purpose corporation:

2 (1) If the ~~flexible~~ *social* purpose corporation is converting into
3 a domestic limited partnership, a statement of conversion shall be
4 completed on the certificate of limited partnership for the converted
5 entity.

6 (2) If the ~~flexible~~ *social* purpose corporation is converting into
7 a domestic partnership, a statement of conversion shall be
8 completed on the statement of partnership authority for the
9 converted entity, or if no statement of partnership authority is filed,
10 then a certificate of conversion shall be filed separately.

11 (3) If the ~~flexible~~ *social* purpose corporation is converting into
12 a domestic limited liability company, a statement of conversion
13 shall be completed on the articles of organization for the converted
14 entity.

15 ~~(4) If the flexible purpose corporation is converting into a~~
16 ~~domestic corporation, a statement of conversion shall be completed~~
17 ~~on the articles for the converted entity.~~

18 (b) Any statement or certificate of conversion of a converting
19 ~~flexible~~ *social* purpose corporation shall be executed and
20 acknowledged by those officers of the converting ~~flexible~~ *social*
21 purpose corporation as would be required to sign an officers'
22 certificate, and shall set forth all of the following:

23 (1) The name and the Secretary of State's file number of the
24 converting ~~flexible~~ *social* purpose corporation.

25 (2) A statement of the total number of outstanding shares of
26 each class entitled to vote on the conversion, that the principal
27 terms of the plan of conversion were approved by a vote of the
28 number of shares of each class which equaled or exceeded the vote
29 required under Section ~~3602~~ 3302, specifying each class entitled
30 to vote and the percentage vote required of each class.

31 (3) The name, form, and jurisdiction of organization of the
32 converted entity.

33 *(4) The name and street address of the converted entity's agent*
34 *for service of process. If a corporation qualified under Section*
35 *1505 is designated as the agent, no address for it shall be set forth.*

36 (c) The certificate of conversion shall be on a form prescribed
37 by the Secretary of State.

38 (d) The filing with the Secretary of State of a statement of
39 conversion on an organizational document or a certificate of
40 conversion as set forth in subdivision (a) shall have the effect of

1 the filing of a certificate of dissolution by the converting ~~flexible~~
2 *social* purpose corporation and no converting ~~flexible~~ *social*
3 purpose corporation that has made the filing is required to file a
4 certificate of election under Section 1901 or a certificate of
5 dissolution under Section 1905 as a result of that conversion.

6 (e) Upon the effectiveness of a conversion pursuant to this
7 chapter, a converted entity that is a domestic partnership, domestic
8 limited ~~partnership~~ *partnership*, or domestic limited liability
9 company shall be deemed to have assumed the liability of the
10 converting ~~flexible~~ *social* purpose corporation to prepare and file
11 or cause to be prepared and filed all tax and information returns
12 otherwise required of the converting ~~flexible~~ *social* purpose
13 corporation under the Corporation Tax Law (Part 11 (commencing
14 with Section 23001) of Division 2 of the Revenue and Taxation
15 Code) and to pay any tax liability determined to be due pursuant
16 to that law.

17 SEC. 10. Section 5120 of the Corporations Code is amended
18 to read:

19 5120. (a) One or more persons may form a corporation under
20 this part by executing and filing articles of incorporation.

21 (b) If initial directors are named in the articles, each director
22 named in the articles shall sign and acknowledge the articles; if
23 initial directors are not named in the articles, the articles shall be
24 signed by one or more persons who thereupon are the incorporators
25 of the corporation.

26 (c) The corporate existence begins upon the filing of the articles
27 and continues perpetually, unless otherwise expressly provided by
28 law or in the articles.

29 (d) At the time of filing pursuant to this section, the Secretary
30 of State shall forward a copy of the filed articles of incorporation
31 to the Attorney General.

32 (e) If the corporation was created by the elected legislative body
33 in order to exercise authority that may lawfully be delegated by
34 the elected governing body to a private corporation or other entity,
35 the Secretary of State shall forward a copy of the filed articles of
36 incorporation to the Controller.

37 SEC. 11. Section 5817 of the Corporations Code is amended
38 to read:

39 5817. Upon the filing of the certificate of amendment, the
40 articles shall be amended in accordance with the certificate and

1 any change, reclassification, or cancellation of memberships shall
2 be effected, and a copy of the certificate, certified by the Secretary
3 of State, is prima facie evidence of the performance of the
4 conditions necessary to the adoption of the amendment. The
5 Secretary of State shall forward a copy of the filed certificate of
6 amendment to the Attorney General.

7 SEC. 12. Section 6211 of the Corporations Code is amended
8 to read:

9 6211. (a) An agent designated for service of process pursuant
10 to Section 6210 may deliver to the Secretary of State, on a form
11 prescribed by the Secretary of State for filing, a signed and
12 acknowledged written statement of resignation as an agent for
13 service of process containing the name of the corporation, the
14 Secretary of State's file number of the corporation, the name of
15 the resigning agent for service of process, and a statement that the
16 agent is resigning. Thereupon the authority of the agent to act in
17 that capacity shall cease and the Secretary of State forthwith shall
18 mail or otherwise provide written notice of the filing of the
19 statement of resignation to the corporation at its principal office.

20 (b) The resignation of an agent may be effective if, on a form
21 prescribed by the Secretary of State containing the name of the
22 corporation, the Secretary of State's file number for the corporation,
23 and the name of the agent for service of process, the agent disclaims
24 having been properly appointed as the agent. Similarly, a person
25 named as an officer or director may indicate that the person was
26 never properly appointed as the officer or director.

27 (c) The Secretary of State may destroy or otherwise dispose of
28 any resignation filed pursuant to this section after a new form is
29 filed pursuant to Section 6210 replacing the agent for service of
30 process that has resigned.

31 SEC. 13. Section 6611 of the Corporations Code is amended
32 to read:

33 6611. (a) Whenever a corporation has elected to wind up and
34 dissolve a certificate evidencing that election shall forthwith be
35 filed and a copy thereof filed with the Attorney General.

36 (b) The certificate shall be an officers' certificate or shall be
37 signed and verified by at least a majority of the directors then in
38 office or by one or more members authorized to do so by approval
39 of a majority of all members (Section 5033) and shall set forth:

40 (1) That the corporation has elected to wind up and dissolve.

1 (2) If the election was made by the vote of members alone, the
2 number of votes for the election and that the election was made
3 by a majority of all members (Section 5033).

4 (3) If the election was made by the board and members pursuant
5 to paragraph (2) of subdivision (a) of Section 6610, or
6 subparagraph (B) of paragraph (1) of subdivision (b) of Section
7 9680, the certificate shall state that it was made by the board and
8 the members in accordance with Section 5034.

9 (4) If the certificate is executed by a member or members, that
10 the subscribing person or persons were authorized to execute the
11 certificate by a majority of all members (Section 5033).

12 (5) If the election was made by the board pursuant to subdivision
13 (b) of Section 6610, or paragraph (2) of subdivision (b) of Section
14 9680, the circumstances showing the corporation to be within one
15 of the categories described in that subdivision.

16 (c) If an election to dissolve made pursuant to subdivision (a)
17 of Section 6610 or paragraph (1) of subdivision (b) of Section
18 9680 is made by the vote of all the members of a corporation with
19 members or by all members of the board of a corporation without
20 members pursuant to subdivision (b) of Section 6610, or paragraph
21 (2) of subdivision (b) of Section 9680 and a statement to that effect
22 is added to the certificate of dissolution pursuant to Section 6615,
23 the separate filing of the certificate of election pursuant to this
24 section is not required.

25 SEC. 14. Section 6810 of the Corporations Code is amended
26 to read:

27 6810. (a) Upon the failure of a corporation to file the statement
28 required by Section 6210, the Secretary of State shall provide a
29 notice of that delinquency to the corporation. The notice shall also
30 contain information concerning the application of this section, and
31 advise the corporation of the penalty imposed by Section 19141
32 of the Revenue and Taxation Code for failure to timely file the
33 required statement after notice of delinquency has been provided
34 by the Secretary of State. If, within 60 days after providing the
35 notice of delinquency, a statement pursuant to Section 6210 has
36 not been filed by the corporation, the Secretary of State shall certify
37 the name of the corporation to the Franchise Tax Board.

38 (b) Upon certification pursuant to subdivision (a), the Franchise
39 Tax Board shall assess against the corporation a penalty of fifty

1 dollars (\$50) pursuant to Section 19141 of the Revenue and
2 Taxation Code.

3 (c) The penalty herein provided shall not apply to a corporation
4 that on or prior to the date of certification pursuant to subdivision
5 (a) has dissolved, has converted to another type of business entity,
6 or has been merged into another corporation or other business
7 entity.

8 (d) The penalty herein provided shall not apply and the Secretary
9 of State need not provide a notice of the delinquency to a
10 corporation the corporate powers, rights, and privileges of which
11 have been suspended by the Franchise Tax Board pursuant to
12 Section 23301, 23301.5, or 23775 of the Revenue and Taxation
13 Code on or prior to, and remain suspended on, the last day of the
14 filing period pursuant to Section 6210. The Secretary of State need
15 not provide notice of the filing requirement pursuant to Section
16 6210 to a corporation the corporate powers, rights, and privileges
17 of which have been so suspended by the Franchise Tax Board on
18 or prior to, and remain suspended on, the day the Secretary of State
19 prepares the notice for sending.

20 (e) If, after certification pursuant to subdivision (a), the Secretary
21 of State finds the required statement was filed before the expiration
22 of the 60-day period after providing notice of the delinquency, the
23 Secretary of State shall promptly decertify the name of the
24 corporation to the Franchise Tax Board. The Franchise Tax Board
25 shall then promptly abate any penalty assessed against the
26 corporation pursuant to Section 19141 of the Revenue and Taxation
27 Code.

28 (f) If the Secretary of State determines that the failure of a
29 corporation to file a statement required by Section 6210 is
30 excusable because of reasonable cause or unusual circumstances
31 that justify the failure, the Secretary of State may waive the penalty
32 imposed by this section and by Section 19141 of the Revenue and
33 Taxation Code, in which case the Secretary of State shall not certify
34 the name of the corporation to the Franchise Tax Board, or if
35 already certified, the Secretary of State shall promptly decertify
36 the name of the corporation.

37 SEC. 15. Section 8211 of the Corporations Code is amended
38 to read:

39 8211. (a) An agent designated for service of process pursuant
40 to Section 8210 may deliver to the Secretary of State, on a form

1 prescribed by the Secretary of State for filing, a signed and
2 acknowledged written statement of resignation as an agent for
3 service of process containing the name of the corporation, the
4 Secretary of State's file number of the corporation, the name of
5 the resigning agent for service of process, and a statement that the
6 agent is resigning. Thereupon the authority of the agent to act in
7 that capacity shall cease and the Secretary of State forthwith shall
8 mail or otherwise provide written notice of the filing of the
9 statement of resignation to the corporation at its principal office.

10 (b) The resignation of an agent may be effective if, on a form
11 prescribed by the Secretary of State containing the name of the
12 corporation, the Secretary of State's file number for the corporation,
13 and the name of the agent for service of process, the agent disclaims
14 having been properly appointed as the agent. Similarly, a person
15 named as an officer or director may indicate that the person was
16 never properly appointed as the officer or director.

17 (c) The Secretary of State may destroy or otherwise dispose of
18 any statement of resignation filed pursuant to this section after a
19 new form is filed pursuant to Section 8210 replacing the agent for
20 service of process that has resigned.

21 SEC. 16. Section 8611 of the Corporations Code is amended
22 to read:

23 8611. (a) Whenever a corporation has elected to wind up and
24 dissolve a certificate evidencing that election shall forthwith be
25 filed. A copy of that certificate shall be filed with the Attorney
26 General if the corporation holds assets in charitable trust or has a
27 charitable dissolution clause.

28 (b) The certificate shall be an officers' certificate or shall be
29 signed and verified by at least a majority of the directors then in
30 office or by one or more members authorized to do so by approval
31 of a majority of all members (Section 5033) and shall set forth:

32 (1) That the corporation has elected to wind up and dissolve.

33 (2) If the election was made by the vote of members alone, the
34 number of votes for the election and that the election was made
35 by a majority of all members (Section 5033).

36 (3) If the election was made by the board and the members
37 pursuant to paragraph (2) of subdivision (a) of Section 8610, the
38 certificate shall state that it was made by the board and the
39 members in accordance with Section 5034.

1 (4) If the certificate is executed by a member or members, that
2 the subscribing person or persons were authorized to execute the
3 certificate a majority of all members (Section 5033).

4 (5) If the election was made by the board pursuant to subdivision
5 (b) of Section 8610, the circumstances showing the corporation to
6 be within one of the categories described in that subdivision.

7 (c) If an election to dissolve made pursuant to subdivision (a)
8 of Section 8610 is made by the vote of all the members of a
9 corporation with members or by a vote of all members of the board
10 of a corporation without members pursuant to subdivision (b) of
11 Section 8610 and a statement to that effect is added to the
12 certificate of dissolution pursuant to Section 8615, the separate
13 filing of the certificate of election pursuant to this section is not
14 required.

15 SEC. 17. Section 8810 of the Corporations Code is amended
16 to read:

17 8810. (a) Upon the failure of a corporation to file the statement
18 required by Section 8210, the Secretary of State shall provide a
19 notice of such delinquency to the corporation. The notice shall
20 also contain information concerning the application of this section,
21 and advise the corporation of the penalty imposed by Section 19141
22 of the Revenue and Taxation Code for failure to timely file the
23 required statement after notice of delinquency has been provided
24 by the Secretary of State. If, within 60 days after providing notice
25 of the delinquency, a statement pursuant to Section 8210 has not
26 been filed by the corporation, the Secretary of State shall certify
27 the name of the corporation to the Franchise Tax Board.

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

32 (c) The penalty herein provided shall not apply to a corporation
33 which on or prior to the date of certification pursuant to subdivision
34 (a) has dissolved, has converted to another type of business entity,
35 or has been merged into another corporation or other business
36 entity.

37 (d) The penalty herein provided shall not apply and the Secretary
38 of State need not provide a notice of the delinquency to a
39 corporation the corporate powers, rights, and privileges of which
40 have been suspended by the Franchise Tax Board pursuant to

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

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

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

26 SEC. 18. Section 12571 of the Corporations Code is amended
27 to read:

28 12571. (a) An agent designated for service of process pursuant
29 to Section 12570 may deliver to the Secretary of State, on a form
30 prescribed by the Secretary of State for filing, a signed and
31 acknowledged written statement of resignation as an agent for
32 service of process containing the name of the corporation, the
33 Secretary of State's file number of the corporation, the name of
34 the resigning agent for service of process, and a statement that the
35 agent is resigning. Thereupon the authority of the agent to act in
36 that capacity shall cease and the Secretary of State forthwith shall
37 mail or otherwise provide written notice of the filing of the
38 statement of resignation to the corporation at its principal office.

39 (b) The resignation of an agent may be effective if, on a form
40 prescribed by the Secretary of State containing the name of the

1 corporation, the Secretary of State’s file number for the corporation,
2 and the name of the resigning agent for service of process, the
3 agent disclaims having been properly appointed as the agent.
4 Similarly, a person named as an officer or director may indicate
5 that the person was never properly appointed as the officer or
6 director.

7 (c) The Secretary of State may destroy or otherwise dispose of
8 any resignation filed pursuant to this section after a new form is
9 filed pursuant to Section 12570 replacing the agent for service of
10 process that has resigned.

11 SEC. 19. Section 12631 of the Corporations Code is amended
12 to read:

13 12631. (a) Whenever a corporation has elected to wind up and
14 dissolve a certificate evidencing that election shall forthwith be
15 filed.

16 (b) The certificate shall be an officers’ certificate or shall be
17 signed and verified by at least a majority of the directors then in
18 office or by one or more members authorized to do so by approval
19 of a majority of all members (Section 12223) and shall set forth:

20 (1) That the corporation has elected to wind up and dissolve.

21 (2) If the election was made by the vote of members alone, the
22 number of votes for the election and that the election was made
23 by persons holding at least a majority of the voting power.

24 (3) If the certificate is executed by a member or members, that
25 the subscribing person or persons were authorized to execute the
26 certificate by persons representing at least a majority of the voting
27 power.

28 (4) If the election was made by the board pursuant to subdivision
29 (b) of Section 12630, the certificate shall also set forth the
30 circumstances showing the corporation to be within one of the
31 categories described in that subdivision.

32 (c) If an election to dissolve made pursuant to subdivision (a)
33 of Section 12630 is made by the vote of all the members of a
34 corporation with members or by a vote of all members of the board
35 of a corporation without members pursuant to subdivision (b) of
36 Section 12630 and a statement to that effect is added to the
37 certificate of dissolution pursuant to Section 12635, the separate
38 filing of the certificate of election pursuant to this section is not
39 required.

1 SEC. 20. Section 12670 of the Corporations Code is amended
2 to read:

3 12670. (a) Upon the failure of a corporation to file the
4 statement required by Section 12570, the Secretary of State shall
5 provide a notice of that delinquency to the corporation. The notice
6 shall also contain information concerning the application of this
7 section, and shall advise the corporation of the penalty imposed
8 by Section 19141 of the Revenue and Taxation Code for failure
9 to timely file the required statement after notice of delinquency
10 has been provided by the Secretary of State. If, within 60 days
11 after providing notice of the delinquency, a statement pursuant to
12 Section 12570 has not been filed by the corporation, the Secretary
13 of State shall certify the name of the corporation to the Franchise
14 Tax Board.

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

19 (c) The penalty herein provided shall not apply to a corporation
20 which on or prior to the date of certification pursuant to subdivision
21 (a) has dissolved, has been converted to another type of business
22 entity, or has been merged into another corporation or other
23 business entity.

24 (d) The penalty herein provided shall not apply and the Secretary
25 of State need not provide a notice of the delinquency to a
26 corporation the corporate powers, rights, and privileges of which
27 have been suspended by the Franchise Tax Board pursuant to
28 Section 23301, 23301.5, or 23775 of the Revenue and Taxation
29 Code on or prior to, and remain suspended on, the last day of the
30 filing period pursuant to Section 12570. The Secretary of State
31 need not provide notice of the filing requirement pursuant to
32 Section 12570, to a corporation the corporate powers, rights, and
33 privileges of which have been so suspended by the Franchise Tax
34 Board on or prior to, and remain suspended on, the day the
35 Secretary of State prepares the notice for sending.

36 (e) If, after certification pursuant to subdivision (a) the Secretary
37 of State finds the required statement was filed before the expiration
38 of the 60-day period after providing notice of the delinquency, the
39 Secretary of State shall promptly decertify the name of the
40 corporation to the Franchise Tax Board. The Franchise Tax Board

1 shall then promptly abate any penalty assessed against the
2 corporation pursuant to Section 19141 of the Revenue and Taxation
3 Code.

4 (f) If the Secretary of State determines that the failure of a
5 corporation to file a statement required by Section 12570 is
6 excusable because of reasonable cause or unusual circumstances
7 which justify the failure, the Secretary of State may waive the
8 penalty imposed by this section and by Section 19141 of the
9 Revenue and Taxation Code, in which case the Secretary of State
10 shall not certify the name of the corporation to the Franchise Tax
11 Board, or if already certified, the Secretary of State shall promptly
12 decertify the name of the corporation.

13 SEC. 21. Section 15901.09 of the Corporations Code is
14 amended to read:

15 15901.09. (a) The exclusive right to the use of a name that
16 complies with Section 15901.08 may be reserved by:

17 (1) a person intending to organize a limited partnership under
18 this chapter and to adopt the name;

19 (2) a limited partnership or a foreign limited partnership
20 authorized to transact business in this state intending to adopt the
21 name;

22 (3) a foreign limited partnership intending to obtain a certificate
23 of registration to transact business in this state and adopt the name;

24 (4) a person intending to organize a foreign limited partnership
25 and intending to have it obtain a certificate of registration to
26 transact business in this state and adopt the name;

27 (5) a foreign limited partnership formed under the name; or

28 (6) a foreign limited partnership formed under a name that does
29 not comply with subdivision (b) or (c) of Section 15901.08, but
30 the name reserved under this paragraph may differ from the foreign
31 limited partnership's name only to the extent necessary to comply
32 with subdivision (b) or (c) of Section 15901.08.

33 (b) Upon payment of the fee prescribed by Section 12188 of
34 the Government Code, any person may apply to reserve a name
35 under subdivision (a), and obtain from the Secretary of State a
36 certificate of reservation of any name not prohibited by Section
37 15901.08. If the Secretary of State finds that the name is available
38 for use by the applicant, the Secretary of State shall issue a
39 certificate of name reservation and thereby reserve the name for
40 the exclusive use of the applicant for 60 days.

1 (c) An applicant that has reserved a name pursuant to subdivision
2 (b) may reserve the same name for an additional 60-day period.
3 The Secretary of State shall not issue a certificate reserving the
4 same name for two or more consecutive 60-day periods to the same
5 applicant or for the use or benefit of the same person.

6 (d) A person that has reserved a name under this section may
7 transfer the reserved name to another person, effective upon
8 delivery to the Secretary of State of a signed notice of transfer that
9 states the reserved name and the name and address of the person
10 to which the reservation is to be transferred.

11 SEC. 22. Section 15901.16 of the Corporations Code is
12 amended to read:

13 15901.16. (a) In addition to Chapter 4 (commencing with
14 Section 413.10) of Title 5 of Part 2 of the Code of Civil Procedure,
15 process may be served upon limited partnerships and foreign
16 limited partnerships as provided in this section.

17 (b) Personal service of a copy of any process against the limited
18 partnership or the foreign limited partnership will constitute valid
19 service on the limited partnership if delivered either (1) to any
20 individual designated by it as agent or, if a limited partnership, to
21 any general partner or (2) if the designated agent or, if a limited
22 partnership, general partner is a corporation, to any person named
23 in the latest certificate of the corporate agent filed pursuant to
24 Section 1505 at the office of the corporate agent or to any officer
25 of the general partner, shall constitute valid service on the limited
26 partnership or the foreign limited partnership. No change in the
27 address of the agent for service of process where the agent is an
28 individual or appointment of a new agent for service of process
29 shall be effective (1) for a limited partnership until an amendment
30 to the certificate of limited partnership is filed or (2) for a foreign
31 limited partnership until an amendment to the application for
32 registration is filed. In the case of a foreign limited partnership
33 that has appointed the Secretary of State as agent for service of
34 process by reason of subdivision (b) of Section 15909.07, process
35 shall be delivered by hand to the Secretary of State, or to any
36 person employed in the capacity of assistant or deputy, which shall
37 be one copy of the process for each defendant to be served, together
38 with a copy of the court order authorizing the service and the fee
39 therefor. The order shall include and set forth an address to which
40 the process shall be sent by the Secretary of State.

1 (c) (1) If an agent for service of process has resigned and has
2 not been replaced or if the agent designated cannot with reasonable
3 diligence be found at the address designated for personal delivery
4 of the process, and it is shown by affidavit to the satisfaction of
5 the court that process against a limited partnership or foreign
6 limited partnership cannot be served with reasonable diligence
7 upon the designated agent or, if a foreign limited partnership, upon
8 any general partner by hand in the manner provided in Section
9 415.10, subdivision (a) of Section 415.20, or subdivision (a) of
10 Section 415.30 of the Code of Civil Procedure, the court may make
11 an order that the service shall be made upon a domestic limited
12 partnership which has filed a certificate or upon a foreign limited
13 partnership which has a certificate of registration to transact
14 business in this state by delivering by hand to the Secretary of
15 State, or to any person employed in the Secretary of State's office
16 in the capacity of assistant or deputy, one copy of the process for
17 each defendant to be served, together with a copy of the order
18 authorizing the service. Service in this manner shall be deemed
19 complete on the 10th day after delivery of the process to the
20 Secretary of State.

21 (2) Upon receipt of any such copy of process and the fee
22 therefor, the Secretary of State shall give notice of the service of
23 the process to the limited partnership or foreign limited partnership,
24 at its principal office, by forwarding to that office, by registered
25 mail with request for return receipt, the copy of the process.

26 (3) The Secretary of State shall keep a record of all process
27 served upon the Secretary of State under this chapter and shall
28 record therein the time of service and the Secretary of State's action
29 with reference thereto. A certificate under the Secretary of State's
30 official seal, certifying to the receipt of process, the giving of notice
31 thereof to the limited partnership or foreign limited partnership,
32 and the forwarding of the process pursuant to this section, shall
33 be competent and prima facie evidence of the matters stated therein.

34 (d) (1) The certificate of a limited partnership and the
35 application for a certificate of registration of a foreign limited
36 partnership shall designate, as the agent for service of process, an
37 individual residing in this state or a corporation which has complied
38 with Section 1505 and whose capacity to act as an agent has not
39 terminated. If an individual is designated, the statement shall set
40 forth that person's complete business or residence street address

1 in this state. If a corporate agent is designated, no address for it
2 shall be set forth.

3 (2) An agent designated for service of process may deliver to
4 the Secretary of State, on a form prescribed by the Secretary of
5 State for filing, a signed and acknowledged written statement of
6 resignation as an agent for service of process containing the name
7 of the limited partnership, the Secretary of State's file number for
8 the limited partnership, the name of the resigning agent for service
9 of process, and a statement that the agent is resigning. Thereupon
10 the authority of the agent to act in that capacity shall cease and the
11 Secretary of State forthwith shall mail or otherwise provide written
12 notice of the filing of the statement of resignation to the limited
13 partnership or foreign limited partnership at its designated office.

14 (3) The resignation of an agent may be effective if, on a form
15 prescribed by the Secretary of State containing the name of the
16 limited partnership, the Secretary of State's file number for the
17 limited partnership, and the name of the agent for service of
18 process, the agent disclaims having been properly appointed as
19 the agent.

20 (4) The Secretary of State may destroy or otherwise dispose of
21 any statement of resignation filed pursuant to this section after an
22 amended certificate of limited partnership or amended foreign
23 limited partnership registration is filed pursuant to Section
24 15902.02 or 15909.06 replacing the agent for service of process
25 that has resigned.

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

35 (e) In addition to any other discovery rights which may exist,
36 in any case pending in a California court having jurisdiction in
37 which a party seeks records from a partnership formed under this
38 chapter, whether or not the partnership is a party, the court shall
39 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. 23. 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) A limited partnership is formed when the Secretary of State
24 files the certificate of limited partnership.

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

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

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

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

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

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

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

32 SEC. 24. Section 15902.04 of the Corporations Code is
33 amended to read:

34 15902.04. (a) Each record delivered to the Secretary of State
35 for filing pursuant to this chapter must be signed in the following
36 manner:

37 (1) An initial certificate of limited partnership must be signed
38 by all general partners listed in the certificate.

39 (2) An amendment designating as general partner a person
40 admitted under paragraph (2) of subdivision (c) of Section

- 1 15908.01 following the dissociation of a limited partnership’s last
2 general partner must be signed by that person.
- 3 (3) An amendment required by subdivision (c) of Section
4 15908.03 following the appointment of a person to wind up the
5 dissolved limited partnership’s activities must be signed by that
6 person.
- 7 (4) Any other amendment must be signed by:
- 8 (A) at least one general partner listed in the certificate of limited
9 partnership;
- 10 (B) each other person designated in the amendment as a new
11 general partner; and
- 12 (C) each person that the amendment indicates has dissociated
13 as a general partner, unless:
- 14 (i) the person is deceased or a guardian or general conservator
15 has been appointed for the person and the amendment so states;
16 or
- 17 (ii) the person has previously delivered to the Secretary of State
18 for filing a certificate of dissociation.
- 19 (5) A restated certificate of limited partnership must be signed
20 by at least one general partner listed in the certificate, and, to the
21 extent the restated certificate effects a change under any other
22 paragraph of this subdivision, the restated certificate must be signed
23 in a manner that satisfies that paragraph.
- 24 (6) A certificate of cancellation must be signed by all general
25 partners listed in the certificate of limited partnership or, if the
26 certificate of limited partnership of a dissolved limited partnership
27 lists no general partners, by the person appointed pursuant to
28 subdivisions (c) or (d) of Section 15908.03 to wind up the dissolved
29 limited partnership’s activities.
- 30 (7) Certificates of conversion must be signed as provided in
31 subdivision (b) of Section 15911.06.
- 32 (8) Certificates of merger must be signed as provided in
33 subdivision (a) of Section 15911.14.
- 34 (9) A certificate of correction shall be executed in the same
35 manner in which the record being corrected was required to be
36 executed.
- 37 (10) Any other record delivered on behalf of a limited
38 partnership to the Secretary of State for filing must be signed by
39 at least one general partner listed in the certificate of limited
40 partnership.

1 (11) A certificate of dissociation by a person pursuant to
2 paragraph (4) of subdivision (a) of Section 15906.05 stating that
3 the person has dissociated as a general partner must be signed by
4 that person.

5 (12) A certificate of withdrawal by a person pursuant to Section
6 15903.06 must be signed by that person.

7 (13) A record delivered on behalf of a foreign limited partnership
8 to the Secretary of State for filing must be signed by at least one
9 general partner of the foreign limited partnership.

10 (14) Any other record delivered on behalf of any person to the
11 Secretary of State for filing must be signed by that person.

12 (b) Any person may sign by an attorney in fact any record to
13 be filed pursuant to this chapter.

14 (c) The Secretary of State shall not be required to verify that
15 the person withdrawing or dissociating was ever actually named
16 in an official filing as a general or limited partner.

17 SEC. 25. Section 15902.07 of the Corporations Code is
18 amended to read:

19 15902.07. (a) A limited partnership or foreign limited
20 partnership may deliver to and on a form prescribed by the
21 Secretary of State for filing a certificate of correction containing
22 the name of the limited partnership or foreign limited partnership
23 and the Secretary of State's file number for the limited partnership
24 or foreign limited partnership to correct a record previously
25 delivered by the limited partnership or foreign limited partnership
26 to the Secretary of State and filed by the Secretary of State, if at
27 the time of filing the record contained false or erroneous
28 information or was defectively signed.

29 (b) A certificate of correction may not state a delayed effective
30 date and must:

31 (1) describe the record to be corrected, including its filing date
32 and file number;

33 (2) specify the incorrect information and the reason it is incorrect
34 or the manner in which the signing was defective; and

35 (3) correct the incorrect information or defective signature.

36 (c) When filed by the Secretary of State, a certificate of
37 correction is effective retroactively as of the effective date of the
38 record the certificate corrects, but the certificate is effective when
39 filed:

1 (1) for the purposes of subdivisions (c) and (d) of Section
2 15901.03; and

3 (2) as to persons relying on the uncorrected record and adversely
4 affected by the correction.

5 SEC. 26. Section 15903.06 of the Corporations Code is
6 amended to read:

7 15903.06. (a) Except as otherwise provided in subdivision (b),
8 a person that makes an investment in a business enterprise and
9 erroneously but in good faith believes that the person has become
10 a limited partner in the enterprise is not liable for the enterprise's
11 obligations by reason of making the investment, receiving
12 distributions from the enterprise, or exercising any rights of or
13 appropriate to a limited partner, if, on ascertaining the mistake,
14 the person:

15 (1) causes an appropriate certificate of limited partnership,
16 amendment, or certificate of correction to be signed and delivered
17 to the Secretary of State for filing; or

18 (2) withdraws from future participation as an owner in the
19 enterprise by signing and delivering to and on a form prescribed
20 by the Secretary of State for filing a certificate of withdrawal
21 containing the name of the limited partnership and the Secretary
22 of State's file number of the limited partnership under this section.

23 (b) A person that makes an investment described in subdivision
24 (a) is liable to the same extent as a general partner to any third
25 party that enters into a transaction with the enterprise, believing
26 in good faith that the person is a general partner, before the
27 Secretary of State files a certificate of withdrawal, certificate of
28 limited partnership, amendment, or certificate of correction to
29 show that the person is not a general partner.

30 (c) If a person makes a diligent effort in good faith to comply
31 with paragraph (1) of subdivision (a) and is unable to cause the
32 appropriate certificate of limited partnership, amendment, or
33 certificate of correction to be signed and delivered to the Secretary
34 of State for filing, the person has the right to withdraw from the
35 enterprise pursuant to paragraph (2) of subdivision (a) even if the
36 withdrawal would otherwise breach an agreement with others that
37 are or have agreed to become co-owners of the enterprise.

38 SEC. 27. Section 15906.05 of the Corporations Code is
39 amended to read:

1 15906.05. (a) Upon a person's dissociation as a general partner
2 all of the following apply:

3 (1) The person's right to participate as a general partner in the
4 management and conduct of the partnership's activities terminates.

5 (2) The person's duty of loyalty as a general partner under
6 paragraph (3) of subdivision (b) of Section 15904.08 terminates.

7 (3) The person's duty of loyalty as a general partner under
8 paragraphs (1) and (2) of subdivision (b) of Section 15904.08 and
9 duty of care under subdivision (c) of Section 15904.08 continue
10 only with regard to matters arising and events occurring before
11 the person's dissociation as a general partner.

12 (4) The person may sign and deliver to the Secretary of State
13 on a form prescribed by the Secretary of State for filing, containing
14 the name of the limited partnership and the Secretary of State's
15 file number of the limited partnership, a certificate of dissociation
16 pertaining to the person and, at the request of the limited
17 partnership, shall sign an amendment to the certificate of limited
18 partnership which states that the person has dissociated.

19 (5) Subject to Section 15907.04 and Article 11 (commencing
20 with Section 15911.01), any transferable interest owned by the
21 person immediately before dissociation in the person's capacity
22 as a general partner is owned by the person as a mere transferee.

23 (b) A person's dissociation as a general partner does not of itself
24 discharge the person from any obligation to the limited partnership
25 or the other partners which the person incurred while a general
26 partner.

27 SEC. 28. Section 15909.06 of the Corporations Code is
28 amended to read:

29 15909.06. If any statement in the application for registration
30 of a foreign limited partnership was false when made or any
31 statements made have become erroneous, the foreign limited
32 partnership shall promptly deliver to, and on a form prescribed by,
33 the Secretary of State an amendment to the application for
34 registration containing the name of the foreign limited partnership
35 and the Secretary of State's file number of the foreign limited
36 partnership signed and acknowledged by the general partner
37 amending the statement. If a foreign limited partnership delivers
38 an amendment changing the name of the foreign limited partnership
39 in its jurisdiction of organization, annexed to the amendment to
40 the application for registration shall be a certificate from an

1 authorized public official of the foreign limited partnership’s
2 jurisdiction of organization to the effect that the foreign limited
3 partnership is in good standing and that the change of name was
4 made in accordance with the laws of that jurisdiction, if the laws
5 of that jurisdiction permit the issuance of those certificates, or, in
6 the alternative, a statement by the foreign limited partnership that
7 the laws of its jurisdiction of organization do not permit the
8 issuance of those certificates. Unless the Secretary of State
9 determines that the amendment to the application changing the
10 name or alternate name of a foreign limited partnership does not
11 comply with the filing requirements of this chapter, the Secretary
12 of State, upon payment of all requisite fees, shall file the amended
13 application and shall issue to the foreign limited partnership a new
14 certificate of registration stating the date of filing of the amendment
15 to the application changing the name and that the foreign limited
16 partnership is qualified to transact intrastate business, subject to
17 any licensing requirements otherwise imposed by the laws of this
18 state.

19 SEC. 29. Section 15909.07 of the Corporations Code is
20 amended to read:

21 15909.07. (a) In order to cancel its certificate of registration
22 to transact business in this state, a foreign limited partnership must
23 deliver to and on a form prescribed by the Secretary of State for
24 filing a certificate of cancellation containing the name of the
25 foreign limited partnership and the Secretary of State’s file number
26 of the foreign limited partnership signed and acknowledged by a
27 general partner of the foreign limited partnership. The registration
28 is canceled when the certificate becomes effective under Section
29 15902.06.

30 (b) A foreign limited partnership transacting business in this
31 state may not maintain an action or proceeding in this state unless
32 it has a certificate of registration to transact business in this state.

33 (c) Any foreign limited partnership that transacts intrastate
34 business in this state without registration is subject to a penalty of
35 twenty dollars (\$20) for each day that the unauthorized intrastate
36 business is transacted, up to a maximum of ten thousand dollars
37 (\$10,000). An action to recover this penalty may be brought, and
38 any recovery shall be paid, as provided in Section 2258.

39 (d) The failure of a foreign limited partnership to have a
40 certificate of registration to transact business in this state does not

1 impair the validity of a contract or act of the foreign limited
2 partnership or prevent the foreign limited partnership from
3 defending an action or proceeding in this state.

4 (e) A partner of a foreign limited partnership is not liable for
5 the obligations of the foreign limited partnership solely by reason
6 of the foreign limited partnership's having transacted business in
7 this state without a certificate of registration.

8 (f) If a foreign limited partnership transacts business in this state
9 without a certificate of registration or cancels its certificate of
10 registration, it appoints the Secretary of State as its agent for service
11 of process for rights of action arising out of the transaction of
12 business in this state.

13 SEC. 30. Section 15911.06 of the Corporations Code is
14 amended to read:

15 15911.06. (a) Upon conversion of a limited partnership, one
16 of the following applies:

17 (1) If the limited partnership is converting into a domestic
18 limited liability company, a statement of conversion shall be
19 completed on the articles of organization for the converted entity
20 and shall be filed with the Secretary of State.

21 (2) If the limited partnership is converting into a domestic
22 partnership, a statement of conversion shall be completed on the
23 statement of partnership authority for the converted entity. If no
24 statement of partnership authority is filed, a certificate of
25 conversion shall be filed separately with the Secretary of State.

26 (3) If the limited partnership is converting into a domestic
27 corporation, a statement of conversion shall be completed on the
28 articles of incorporation for the converted entity and shall be filed
29 with the Secretary of State.

30 (4) If the limited partnership is converting to a foreign limited
31 partnership or foreign other business entity, a certificate of
32 conversion shall be filed with the Secretary of State.

33 (b) Any certificate or statement of conversion shall be executed
34 and acknowledged by all general partners and shall set forth all of
35 the following:

36 (1) The name of the converting limited partnership and the
37 Secretary of State's file number of the converting limited
38 partnership.

39 (2) A statement that the principal terms of the plan of conversion
40 were approved by a vote of the partners, that equaled or exceeded

1 the vote required under Section 15911.03, specifying each class
2 entitled to vote and the percentage vote required of each class.

3 (3) The form of organization of the converted entity.

4 (4) The street address of the converted entity's agent for service
5 of process and the mailing address of the chief executive office of
6 the converted entity. If a corporation that has complied with Section
7 1505 is designated as the agent, no address for it shall be set forth.

8 (c) The filing with the Secretary of State of a certificate of
9 conversion or a statement of partnership authority, articles of
10 organization, or articles of incorporation containing a statement
11 of conversion as set forth in subdivision (a) shall have the effect
12 of the filing of a certificate of cancellation by the converting limited
13 partnership, and no converting limited partnership that has made
14 the filing is required to file a certificate of cancellation under
15 Section 15902.03 as a result of that conversion.

16 SEC. 31. Section 16309 of the Corporations Code is amended
17 to read:

18 16309. (a) The statement of partnership authority may
19 designate an agent for service of process. The agent may be an
20 individual residing in this state or a corporation that has complied
21 with Section 1505 and whose capacity to act as an agent has not
22 terminated. If an individual is designated, the statement shall
23 include that person's complete business or residence street address
24 in this state. If a corporate agent is designated, no address for that
25 agent shall be set forth.

26 (b) An agent designated for service of process may deliver to
27 the Secretary of State, on a form prescribed by the Secretary of
28 State for filing, a signed and acknowledged written statement of
29 resignation as an agent for service of process containing the name
30 of the partnership and the Secretary of State's file number of the
31 partnership. On filing of the statement of resignation, the authority
32 of the agent to act in that capacity shall cease and the Secretary of
33 State shall mail or otherwise provide written notice of the filing
34 of the statement of resignation to the partnership at its principal
35 executive office.

36 (c) The resignation of an agent may be effective if, on a form
37 prescribed by the Secretary of State containing the name of the
38 partnership and the Secretary of State's file number for the
39 partnership and the name of the agent for service of process, the
40 agent disclaims having been properly appointed as the agent.

1 (d) If an individual who has been designated agent for service
2 of process dies or resigns or no longer resides in the state, or if the
3 corporate agent for that purpose resigns, dissolves, withdraws from
4 the state, forfeits its right to transact intrastate business, has its
5 corporate rights, powers, and privileges suspended, or ceases to
6 exist, the partnership or foreign partnership shall promptly file an
7 amended statement of partnership authority, designating a new
8 agent.

9 (e) The Secretary of State may destroy or otherwise dispose of
10 any statement of resignation filed pursuant to this section after a
11 new statement of partnership authority is filed pursuant to Section
12 16303 replacing the agent for service of process that has resigned.

13 SEC. 32. Section 16906 of the Corporations Code is amended
14 to read:

15 16906. (a) If the converting partnership has filed a statement
16 of partnership authority under Section 16303 that is effective at
17 the time of the conversion, then upon conversion to a domestic
18 limited partnership, limited liability company, or corporation, the
19 certificate of limited partnership, articles of organization, or articles
20 of incorporation filed by the converted entity, as applicable, shall
21 contain a statement of conversion, in that form as may be
22 prescribed by the Secretary of State. If the converting partnership
23 has not filed a statement of partnership authority under Section
24 16303 that is effective at the time of the conversion, upon
25 conversion to a domestic limited partnership, limited liability
26 company, or corporation, the converted entity may, but is not
27 required to file, on its certificate of limited partnership, articles of
28 organization, or articles of incorporation, a statement of conversion.
29 A statement of conversion shall set forth all of the following:

30 (1) The name of the converting partnership and the Secretary
31 of State's file number, if any, of the converting partnership.

32 (2) A statement that the principal terms of the plan of conversion
33 were approved by a vote of the partners, which equaled or exceeded
34 the vote required under Section 16903.

35 (3) The name and street address of the partnership's agent for
36 service of process. If a corporation qualified under Section 1505
37 is designated, no address for it shall be set forth.

38 (b) A partnership converting to a foreign other business entity
39 that has filed a statement of partnership authority under Section
40 16303 that is effective at the time of conversion may file a

1 certificate of conversion with the Secretary of State. The certificate
2 of conversion shall contain the following:

3 (1) The names of the converting partnership and the converted
4 entity.

5 (2) The street address of the converted entity's chief executive
6 office and of an office in this state, if any.

7 (3) The form of organization of the converted entity.

8 (4) The name, street address, and mailing address of the
9 partnership's agent for service of process. If a corporation qualified
10 under Section 1505 is designated as the agent, no address for it
11 shall be set forth.

12 (c) The filing with the Secretary of State of a certificate of
13 limited partnership, articles of organization, or articles of
14 incorporation containing a statement of conversion as set forth in
15 subdivision (a) or a certificate of conversion filed pursuant to
16 subdivision (b) shall have the effect of the filing of a cancellation
17 by the converting partnership of any statement of partnership
18 authority filed by it.

19 SEC. 33. Section 16915 of the Corporations Code is amended
20 to read:

21 16915. (a) In a merger involving a domestic partnership, in
22 which another partnership or a foreign other business entity is a
23 party, but in which no other domestic other business entity is a
24 party, the surviving partnership or surviving foreign other business
25 entity may file with the Secretary of State a statement that one or
26 more partnerships have merged into the surviving partnership or
27 surviving foreign other business entity, or that one or more
28 partnerships or foreign other business entities have merged into
29 the surviving domestic partnership. A statement of merger shall
30 contain the following:

31 (1) The name of each partnership or foreign other business entity
32 that is a party to the merger.

33 (2) The name of the surviving entity into which the other
34 partnerships or foreign other business entities were merged.

35 (3) The street address of the surviving entity's chief executive
36 office and of an office in this state, if any.

37 (4) Whether the surviving entity is a partnership or a foreign
38 other business entity, specifying the type of the entity.

39 (b) In a merger involving a domestic partnership in which a
40 domestic other business entity is also a party, after approval of the

1 merger by the constituent partnerships and any constituent other
2 business entities, the constituent partnerships and constituent other
3 business entities shall file a certificate of merger in the office of,
4 and on a form prescribed by, the Secretary of State, but if the
5 surviving entity is a domestic corporation or a foreign corporation
6 in a merger in which a domestic corporation is a constituent party,
7 the surviving corporation shall file in the office of the Secretary
8 of State a copy of the agreement of merger and attachments
9 required under paragraph (1) of subdivision (g) of Section 1113.
10 The certificate of merger shall be executed and acknowledged by
11 each domestic constituent partnership by two partners (unless a
12 lesser number is provided in the partnership agreement) and by
13 each foreign constituent partnership by one or more partners, and
14 by each constituent other business entity by those persons required
15 to execute the certificate of merger by the laws under which the
16 constituent other business entity is organized. The certificate of
17 merger shall set forth all of the following:

18 (1) The names and the Secretary of State's file numbers, if any,
19 of each of the constituent partnerships and constituent other
20 business entities, separately identifying the disappearing
21 partnerships and disappearing other business entities and the
22 surviving partnership or surviving other business entity.

23 (2) If a vote of the partners was required under Section 16911,
24 a statement that the principal terms of the agreement of merger
25 were approved by a vote of the partners, which equaled or exceeded
26 the vote required.

27 (3) If the surviving entity is a domestic partnership and not an
28 other business entity, any change to the information set forth in
29 any filed statement of partnership authority of the surviving
30 partnership resulting from the merger, including any change in the
31 name of the surviving partnership resulting from the merger. The
32 filing of a certificate of merger setting forth any changes to any
33 filed statement of partnership authority of the surviving partnership
34 shall have the effect of the filing of a certificate of amendment of
35 the statement of partnership authority by the surviving partnership,
36 and the surviving partnership need not file a certificate of
37 amendment under Section 16105 to reflect those changes.

38 (4) The future effective date or time (which shall be a date or
39 time certain not more than 90 days subsequent to the date of filing)

1 of the merger, if the merger is not to be effective upon the filing
2 of the certificate of merger with the office of the Secretary of State.

3 (5) If the surviving entity is an other business entity or a foreign
4 partnership, the full name, type of entity, legal jurisdiction in which
5 the entity was organized and by whose laws its internal affairs are
6 governed, and the address of the principal place of business of the
7 entity.

8 (6) Any other information required to be stated in the certificate
9 of merger by the laws under which each constituent other business
10 entity is organized.

11 (c) A statement of merger or a certificate of merger, as is
12 applicable under subdivision (a) or (b), shall have the effect of the
13 filing of a cancellation for each disappearing partnership of any
14 statement of partnership authority filed by it, and shall have the
15 effect of filing the notice of cessation required by Section 16954
16 or 16960, if applicable.

17 SEC. 34. Section 16953 of the Corporations Code is amended
18 to read:

19 16953. (a) To become a registered limited liability partnership,
20 a partnership, other than a limited partnership, shall file with the
21 Secretary of State a registration, executed by one or more partners
22 authorized to execute a registration, stating all of the following:

23 (1) The name of the partnership.

24 (2) The street address of its principal office.

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

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

30 (5) A brief statement of the business in which the partnership
31 engages.

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

33 (7) That the partnership is registering as a registered limited
34 liability partnership.

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

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

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

13 (e) A partnership becomes a registered limited liability
14 partnership at the time of the filing of the initial registration with
15 the Secretary of State or at any later date or time specified in the
16 registration and the payment of the fee required by subdivision
17 (b). A partnership continues as a registered limited liability
18 partnership until a notice that it is no longer a registered limited
19 liability partnership has been filed pursuant to subdivision (b) of
20 Section 16954 or, if applicable, until it has been dissolved and
21 finally wound up. The status of a partnership as a registered limited
22 liability partnership and the liability of a partner of the registered
23 limited liability partnership shall not be adversely affected by
24 errors or subsequent changes in the information stated in a
25 registration under subdivision (a) or an amended registration or
26 notice under Section 16954.

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

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

1 That notice shall be updated annually to specify the dollar amount
2 of the tax.

3 (h) A limited liability partnership providing professional limited
4 liability partnership services in this state shall comply with all
5 statutory and administrative registration or filing requirements of
6 the state board, commission, or other agency that prescribes the
7 rules and regulations governing the particular profession in which
8 the partnership proposes to engage, pursuant to the applicable
9 provisions of the Business and Professions Code relating to that
10 profession. The state board, commission, or other agency shall not
11 disclose, unless compelled by a subpoena or other order of a court
12 of competent jurisdiction, any information it receives in the course
13 of evaluating the compliance of a limited liability partnership with
14 applicable statutory and administrative registration or filing
15 requirements, provided that nothing in this section shall be
16 construed to prevent a state board, commission, or other agency
17 from disclosing the manner in which the limited liability
18 partnership has complied with the requirements of Section 16956,
19 or the compliance or noncompliance by the limited liability
20 partnership with any other requirements of the state board,
21 commission, or other agency.

22 (i) An agent designated for service of process may deliver to
23 the Secretary of State, on a form prescribed by the Secretary of
24 State for filing, a signed and acknowledged written statement of
25 resignation as an agent for service of process containing the name
26 of the limited liability partnership and the Secretary of State's file
27 number of the limited liability partnership, the name of the
28 resigning agent for service of process, and a statement that the
29 agent is resigning. On filing of the statement of resignation, the
30 authority of the agent to act in that capacity shall cease and the
31 Secretary of State shall mail or otherwise provide written notice
32 of the filing of the statement of resignation to the limited liability
33 partnership at its principal office.

34 (j) The resignation of an agent may be effective if, on a form
35 prescribed by the Secretary of State containing the name of the
36 limited liability partnership and Secretary of State's file number
37 for the limited liability partnership and the name of the agent for
38 service of process, the agent disclaims having been properly
39 appointed as the agent.

1 (k) If an individual who has been designated agent for service
2 of process dies, resigns, or no longer resides in the state or if the
3 corporate agent for that purpose resigns, dissolves, withdraws from
4 the state, forfeits its right to transact intrastate business, has its
5 corporate rights, powers, and privileges suspended, or ceases to
6 exist, the limited liability partnership shall promptly file an
7 amended registration as a limited liability partnership designating
8 a new agent.

9 (l) The Secretary of State may destroy or otherwise dispose of
10 any statement of resignation filed pursuant to this section after a
11 new registration is filed pursuant to this section replacing the agent
12 for service of process that has resigned.

13 SEC. 35. Section 16959 of the Corporations Code, as amended
14 by Section 43 of Chapter 494 of the Statutes of 2012, is amended
15 to read:

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

39 (2) Annexed to the application for registration shall be a
40 certificate from an authorized public official of the foreign limited

1 liability partnership's jurisdiction of organization to the effect that
2 the foreign limited liability partnership is in good standing in that
3 jurisdiction, if the laws of that jurisdiction permit the issuance of
4 those certificates, or, in the alternative, a statement by the foreign
5 limited liability partnership that the laws of its jurisdiction of
6 organization do not permit the issuance of those certificates.

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

9 (c) If the Secretary of State finds that an application for
10 registration conforms to law and all requisite fees have been paid,
11 the Secretary of State shall issue a certificate of registration to
12 transact intrastate business in this state.

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

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

39 (f) The fact that a registration or amended registration pursuant
40 to Section 16960 is on file with the Secretary of State is notice that

1 the partnership is a foreign limited liability partnership and of those
2 other facts contained therein that are required to be set forth in the
3 registration or amended registration.

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

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

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

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

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

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

36 (m) Without excluding other activities that may not be
37 considered to be transacting intrastate business, a foreign limited
38 liability partnership shall not be considered to be transacting
39 intrastate business merely because its subsidiary or affiliate

- 1 transacts intrastate business, or merely because of its status as any
2 one or more of the following:
- 3 (1) A shareholder of a domestic corporation.
 - 4 (2) A shareholder of a foreign corporation transacting intrastate
5 business.
 - 6 (3) A limited partner of a foreign limited partnership transacting
7 intrastate business.
 - 8 (4) A limited partner of a domestic limited partnership.
 - 9 (5) A member or manager of a foreign limited liability company
10 transacting intrastate business.
 - 11 (6) A member or manager of a domestic limited liability
12 company.
- 13 (n) Without excluding other activities that may not be considered
14 to be transacting intrastate business, a foreign limited liability
15 partnership shall not be considered to be transacting intrastate
16 business within the meaning of this subdivision solely by reason
17 of carrying on in this state any one or more of the following
18 activities:
- 19 (1) Maintaining or defending any action or suit or any
20 administrative or arbitration proceeding, or effecting the settlement
21 thereof or the settlement of claims or disputes.
 - 22 (2) Holding meetings of its partners or carrying on any other
23 activities concerning its internal affairs.
 - 24 (3) Maintaining bank accounts.
 - 25 (4) Maintaining offices or agencies for the transfer, exchange,
26 and registration of the foreign limited liability partnership's
27 securities or maintaining trustees or depositories with respect to
28 those securities.
 - 29 (5) Effecting sales through independent contractors.
 - 30 (6) Soliciting or procuring orders, whether by mail or through
31 employees or agents or otherwise, where those orders require
32 acceptance without this state before becoming binding contracts.
 - 33 (7) Creating or acquiring evidences of debt or mortgages, liens,
34 or security interest in real or personal property.
 - 35 (8) Securing or collecting debts or enforcing mortgages and
36 security interests in property securing the debts.
 - 37 (9) Conducting an isolated transaction that is completed within
38 180 days and not in the course of a number of repeated transactions
39 of a like nature.

1 (o) A person shall not be deemed to be transacting intrastate
2 business in this state merely because of its status as a partner of a
3 registered limited liability partnership or a foreign limited liability
4 company whether or not registered to transact intrastate business
5 in this state.

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

9 (q) Nothing in this section is intended to, or shall, augment,
10 diminish, or otherwise alter existing provisions of law, statutes,
11 or court rules relating to services by a California architect,
12 California public accountant, California engineer, California land
13 surveyor, or California attorney in another jurisdiction, or services
14 by an out-of-state architect, out-of-state public accountant,
15 out-of-state engineer, out-of-state land surveyor, or out-of-state
16 attorney in California.

17 (r) An agent designated for service of process may deliver to
18 the Secretary of State, on a form prescribed by the Secretary of
19 State for filing, a signed and acknowledged written statement of
20 resignation as an agent for service of process containing the name
21 of the foreign limited liability partnership and Secretary of State's
22 file number of the foreign limited liability partnership, the name
23 of the resigning agent for service of process, and a statement that
24 the agent is resigning. On filing of the statement of resignation,
25 the authority of the agent to act in that capacity shall cease and the
26 Secretary of State shall mail or otherwise provide written notice
27 of the filing of the statement of resignation to the foreign limited
28 liability partnership at its principal office.

29 (s) The resignation of an agent may be effective if, on a form
30 prescribed by the Secretary of State containing the name of the
31 foreign limited liability partnership and Secretary of State's file
32 number for the foreign limited liability partnership and the name
33 of the agent for service of process, the agent disclaims having been
34 properly appointed as the agent.

35 (t) If an individual who has been designated agent for service
36 of process dies or resigns or no longer resides in the state, or if the
37 corporate agent for that purpose resigns, dissolves, withdraws from
38 the state, forfeits its right to transact intrastate business, has its
39 corporate rights, powers, and privileges suspended, or ceases to
40 exist, the foreign limited liability partnership shall promptly file

1 an amended application for registration as a foreign limited liability
2 partnership designating a new agent.

3 (u) The Secretary of State may destroy or otherwise dispose of
4 any resignation filed pursuant to this section after a new application
5 for registration as a foreign limited liability partnership is filed
6 pursuant to this section replacing the agent for service of process
7 that has resigned.

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

11 SEC. 36. Section 16959 of the Corporations Code, as amended
12 by Section 44 of Chapter 494 of the Statutes of 2012, is amended
13 to read:

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

37 (2) Annexed to the application for registration shall be a
38 certificate from an authorized public official of the foreign limited
39 liability partnership's jurisdiction of organization to the effect that
40 the foreign limited liability partnership 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 partnership that the laws of its jurisdiction of
4 organization do not permit the issuance of those certificates.

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

7 (c) If the Secretary of State finds that an application for
8 registration conforms to law and all requisite fees have been paid,
9 the Secretary of State shall issue a certificate of registration to
10 transact intrastate business in this state.

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

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

37 (f) The fact that a registration or amended registration pursuant
38 to Section 16960 is on file with the Secretary of State is notice that
39 the partnership is a foreign limited liability partnership and of those

1 other facts contained therein that are required to be set forth in the
2 registration or amended registration.

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

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

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

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

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

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

35 (m) Without excluding other activities that may not be
36 considered to be transacting intrastate business, a foreign limited
37 liability partnership shall not be considered to be transacting
38 intrastate business merely because its subsidiary or affiliate
39 transacts intrastate business, or merely because of its status as any
40 one or more of the following:

- 1 (1) A shareholder of a domestic corporation.
- 2 (2) A shareholder of a foreign corporation transacting intrastate
3 business.
- 4 (3) A limited partner of a foreign limited partnership transacting
5 intrastate business.
- 6 (4) A limited partner of a domestic limited partnership.
- 7 (5) A member or manager of a foreign limited liability company
8 transacting intrastate business.
- 9 (6) A member or manager of a domestic limited liability
10 company.
- 11 (n) Without excluding other activities that may not be considered
12 to be transacting intrastate business, a foreign limited liability
13 partnership shall not be considered to be transacting intrastate
14 business within the meaning of this subdivision solely by reason
15 of carrying on in this state any one or more of the following
16 activities:
 - 17 (1) Maintaining or defending any action or suit or any
18 administrative or arbitration proceeding, or effecting the settlement
19 thereof or the settlement of claims or disputes.
 - 20 (2) Holding meetings of its partners or carrying on any other
21 activities concerning its internal affairs.
 - 22 (3) Maintaining bank accounts.
 - 23 (4) Maintaining offices or agencies for the transfer, exchange,
24 and registration of the foreign limited liability partnership's
25 securities or maintaining trustees or depositories with respect to
26 those securities.
 - 27 (5) Effecting sales through independent contractors.
 - 28 (6) Soliciting or procuring orders, whether by mail or through
29 employees or agents or otherwise, where those orders require
30 acceptance without this state before becoming binding contracts.
 - 31 (7) Creating or acquiring evidences of debt or mortgages, liens,
32 or security interest in real or personal property.
 - 33 (8) Securing or collecting debts or enforcing mortgages and
34 security interests in property securing the debts.
 - 35 (9) Conducting an isolated transaction that is completed within
36 180 days and not in the course of a number of repeated transactions
37 of a like nature.
- 38 (o) A person shall not be deemed to be transacting intrastate
39 business in this state merely because of its status as a partner of a
40 registered limited liability partnership or a foreign limited liability

1 company whether or not registered to transact intrastate business
2 in this state.

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

6 (q) Nothing in this section is intended to, or shall, augment,
7 diminish, or otherwise alter existing provisions of law, statutes,
8 or court rules relating to services by a California architect,
9 California public accountant, or California attorney in another
10 jurisdiction, or services by an out-of-state architect, out-of-state
11 public accountant, or out-of-state attorney in California.

12 (r) An agent designated for service of process may deliver to
13 the Secretary of State, on a form prescribed by the Secretary of
14 State for filing, a signed and acknowledged written statement of
15 resignation as an agent for service of process containing the name
16 of the foreign limited liability partnership and Secretary of State's
17 file number of the foreign limited liability partnership, the name
18 of the resigning agent for service of process, and a statement that
19 the agent is resigning. 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 mail or otherwise provide written notice
22 of the filing of the statement of resignation to the foreign limited
23 liability partnership at its principal office.

24 (s) The resignation of an agent may be effective if, on a form
25 prescribed by the Secretary of State containing the name and
26 Secretary of State's file number for the foreign limited liability
27 partnership and the name of the agent for service of process, the
28 agent disclaims having been properly appointed as the agent.

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

37 (u) The Secretary of State may destroy or otherwise dispose of
38 any resignation filed pursuant to this section after a new application
39 for registration as a foreign limited liability partnership is filed

1 pursuant to this section replacing the agent for service of process
2 that has resigned.

3 (v) This section shall become operative on January 1, 2016.

4 SEC. 37. Section 16960 of the Corporations Code is amended
5 to read:

6 16960. (a) The registration of a foreign limited liability
7 partnership may be amended by an amended registration executed
8 by one or more partners authorized to execute an amended
9 registration and filed with the Secretary of State, as soon as
10 reasonably practical after any information set forth in the
11 registration or previously filed amended registration becomes
12 inaccurate, to add information to the registration or amended
13 registration or to withdraw its registration as a foreign limited
14 liability partnership.

15 (b) If a foreign limited liability partnership ceases to be a limited
16 liability partnership, it shall file with the Secretary of State a notice,
17 executed by one or more partners authorized to execute the notice,
18 that it is no longer a foreign limited liability partnership. The notice
19 shall state that a final annual tax return, as described by Section
20 17948.3 of the Revenue and Taxation Code, has been or will be
21 filed with the Franchise Tax Board, as required under Part 10.2
22 (commencing with Section 18401) of the Revenue and Taxation
23 Code.

24 (c) A foreign limited liability partnership that is, but is no longer
25 required to be, registered under Section 16959 may withdraw its
26 registration by filing a notice with the Secretary of State, executed
27 by one or more partners authorized to execute the notice.

28 (d) The Secretary of State shall provide forms for an amended
29 registration under subdivision (a) and notices under subdivisions
30 (b) and (c).

31 (e) If a foreign limited liability partnership files an amendment
32 changing the name of the foreign limited liability partnership in
33 its jurisdiction of organization, annexed to the application for
34 registration shall be a certificate from an authorized public official
35 of the foreign limited liability partnership's jurisdiction of
36 organization certifying that the foreign limited liability partnership
37 is in good standing and that the change of name was made in
38 accordance with the laws of that jurisdiction, if the laws of that
39 jurisdiction permit the issuance of those certificates, or, in the
40 alternative, a statement by the foreign limited liability partnership

1 that the laws of its jurisdiction of organization do not permit the
2 issuance of those certificates. Unless the Secretary of State
3 determines that the amendment to the application changing the
4 name or alternate name of a foreign limited liability partnership
5 does not comply with the filing requirements of this chapter, the
6 Secretary of State, upon payment of all requisite fees, shall file
7 the amended application and shall issue to the foreign limited
8 liability partnership a new certificate of registration stating the
9 date of filing of the amendment to the application changing the
10 name and that the foreign limited liability partnership is qualified
11 to transact intrastate business, subject to any licensing requirements
12 otherwise imposed by the laws of this state.

13 (f) The filing of amended registration forms pursuant to
14 subdivision (a) and a notice pursuant to subdivision (b) or (c) shall
15 each be accompanied by a fee as set forth in subdivision (d) of
16 Section 12189 of the Government Code.

17 (g) A notice of cessation, signed pursuant to subdivision (b),
18 shall be filed with the Secretary of State. The Secretary of State
19 shall notify the Franchise Tax Board of the cessation.

20 SEC. 38. Section 17701.09 of the Corporations Code is
21 amended to read:

22 17701.09. (a) Upon payment of the fee prescribed by Section
23 12190 of the Government Code, a person may apply to reserve the
24 exclusive use of the name of a limited liability company or foreign
25 limited liability company, including an alternative name for a
26 foreign limited liability company whose name is not available. If
27 the Secretary of State finds that the name applied for is available,
28 it shall reserve the name for the applicant's exclusive use for up
29 to 60 days and issue a certificate of reservation. The Secretary of
30 State shall not issue certificates reserving the same name for two
31 or more consecutive 60-day periods to the same applicant or for
32 the use or benefit of the same person; nor shall consecutive
33 reservations be made by or for the use or benefit of the same person
34 for a name so similar as to fall within the prohibitions of
35 subdivision (b) of Section 17701.08.

36 (b) The owner of a name reserved for a limited liability company
37 or foreign limited liability company may transfer the reservation
38 to another person by delivering to the Secretary of State a signed
39 notice of the transfer which states the reserved name and the name
40 and address of the transferee.

1 SEC. 39. Section 17701.15 of the Corporations Code is
2 amended to read:

3 17701.15. (a) To resign as an agent for service of process of
4 a limited liability company or foreign limited liability company,
5 the agent shall deliver to the Secretary of State for filing, on a form
6 prescribed by the Secretary of State for filing, a signed and
7 acknowledged statement of resignation as an agent for service of
8 process containing the name of the limited liability company or
9 foreign limited liability company, the Secretary of State's file
10 number for the limited liability company or foreign limited liability
11 company, the name of the resigning agent for service of process,
12 and a statement that the agent is resigning.

13 (b) The Secretary of State shall mail or otherwise provide written
14 notice of the statement of resignation to the designated office of
15 the limited liability company or, in the case of a foreign limited
16 liability company, to the principal office.

17 (c) Upon filing of the statement of resignation, the authority of
18 the agent to act in that capacity shall cease.

19 (d) The resignation of an agent may be effective if, on a form
20 prescribed by the Secretary of State containing the name of the
21 limited liability company and Secretary of State's file number for
22 the limited liability company and the name of the agent for service
23 of process, the agent disclaims having been properly appointed as
24 the agent.

25 (e) If an individual who has been designated agent for service
26 of process dies or resigns or no longer resides in the state, or if the
27 corporate agent for that purpose resigns, dissolves, withdraws from
28 the state, forfeits its right to transact intrastate business in this state,
29 has its corporate rights, powers, and privileges suspended, or ceases
30 to exist, the limited liability company or foreign limited liability
31 company shall promptly file an initial or amended statement of
32 information as set forth in Section 17702.09.

33 (f) The Secretary of State may destroy or otherwise dispose of
34 a resignation filed pursuant to this section after a new form is filed
35 pursuant to Section 17702.09 replacing the agent for service of
36 process that has resigned.

37 SEC. 40. Section 17702.02 of the Corporations Code is
38 amended to read:

39 17702.02. (a) The articles of organization may be amended
40 or restated at any time.

1 (b) To amend its articles of organization, a limited liability
2 company shall deliver to the Secretary of State a certificate of
3 amendment, on a form prescribed by the Secretary of State for
4 filing, stating all of the following:

5 (1) The present name of the limited liability company.

6 (2) The Secretary of State's file number for the limited liability
7 company.

8 (3) The changes the amendment makes to the articles of
9 organization as most recently amended or restated.

10 (c) To restate its articles of organization, a limited liability
11 company shall deliver to the Secretary of State for filing, on a form
12 prescribed by the Secretary of State entitled "Restated Articles of
13 Organization," stating, as applicable, the following:

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

16 (2) The entire text of the articles of organization as amended to
17 the date of filing, except that if the limited liability company has
18 filed a statement of information under Section 17702.09, the initial
19 street address, the initial mailing address, and the name and address
20 of the initial agent for service of process shall not be set forth.

21 (d) Subject to subdivision (c) of Section 17701.12 and
22 subdivision (c) of Section 17702.05, an amendment to or
23 restatement of the articles of organization is effective when filed
24 by the Secretary of State and shall be duly executed by at least one
25 manager of a manager-managed limited liability company or at
26 least one member of a member-managed limited liability company
27 unless a greater number is provided in the articles of organization.

28 (e) If a member of a member-managed limited liability company,
29 or a manager of a manager-managed limited liability company,
30 knows that any information in filed articles of organization was
31 inaccurate when the articles were filed or has become inaccurate
32 owing to changed circumstances, the member or manager shall
33 promptly do the following:

34 (1) Cause the articles to be amended.

35 (2) If appropriate, deliver to the Secretary of State for filing a
36 statement of information under Section 17701.14 or a certificate
37 of correction under Section 17702.06.

38 (f) A limited liability company shall not amend its articles of
39 organization pursuant to subdivision (b) or restate its articles of
40 organization pursuant to subdivision (c) in order to change its

1 designated office, its mailing address, its agent for service of
2 process, or the address of its agent for service of process. To change
3 that information, the limited liability company shall deliver to the
4 Secretary of State for filing a statement of information under
5 Section 17701.14.

6 SEC. 41. Section 17702.03 of the Corporations Code is
7 amended to read:

8 17702.03. (a) A record delivered to the Secretary of State for
9 filing pursuant to this title shall be signed as follows:

10 (1) Except as otherwise provided in paragraphs (2) and (3), a
11 record signed on behalf of a limited liability company shall be
12 signed by a person authorized by the limited liability company.

13 (2) A limited liability company's initial articles of organization
14 shall be signed by at least one person acting as an organizer.

15 (3) A record filed on behalf of a dissolved limited liability
16 company that has no members shall be signed by the person
17 winding up the limited liability company's activities or a person
18 appointed under Section 17707.04 to wind up those activities.

19 (4) A certificate of cancellation under Section 17707.02 shall
20 be signed by each organizer that signed the initial articles of
21 organization, but a personal representative of a deceased or
22 incompetent organizer may sign in the place of the decedent or
23 incompetent.

24 (5) A certificate of cancellation under Section 17707.08 shall
25 be signed by a majority of managers unless the event causing the
26 dissolution that is specified in subdivision (c) of Section 17707.01
27 occurs, in which case the certificate of cancellation shall be signed
28 as provided in paragraph (3).

29 (6) A certificate of correction shall be executed in the same
30 manner in which the record being corrected was required to be
31 executed.

32 (b) Any record filed under this title may be signed by an agent.

33 (c) A limited liability company may record in the office of the
34 county recorder of any county in this state, and county recorders,
35 on request, shall record a certified copy of the limited liability
36 company articles of organization and any exhibit or attachment,
37 or any amendment or correction thereto, that has been filed in the
38 office of the Secretary of State. A foreign limited liability company
39 may record in the office of the county recorder of any county in
40 the state a certified copy of the application for registration of the

1 foreign limited liability company, or any amendment thereto, that
2 has been filed in the office of the Secretary of State. The recording
3 shall create a conclusive presumption in favor of any bona fide
4 purchaser or encumbrancer for value of the limited liability
5 company real property located in the county in which the certified
6 copy has been recorded, of the statements contained therein.

7 (d) If the Secretary of State determines that an instrument
8 submitted for filing or otherwise submitted does not conform to
9 the law and returns it to the person submitting it, the instrument
10 may be resubmitted accompanied by a written opinion of a member
11 of the State Bar of California submitting the instrument or
12 representing the person submitting it, to the effect that the specific
13 provisions of the instrument objected to by the Secretary of State
14 do conform to law and stating the points and authorities upon
15 which the opinion is based. The Secretary of State shall rely, with
16 respect to any disputed point of law, other than the application of
17 Sections 17701.08, 17701.09, 17708.02, and 17708.03, upon that
18 written opinion in determining whether the instrument conforms
19 to law. The date of filing in that case shall be the date the
20 instrument is received on resubmission.

21 SEC. 42. Section 17702.06 of the Corporations Code is
22 amended to read:

23 17702.06. (a) A limited liability company or foreign limited
24 liability company may deliver to the Secretary of State for filing
25 a certificate of correction on a form prescribed by the Secretary
26 of State to correct a record previously delivered by the limited
27 liability company or foreign limited liability company to the
28 Secretary of State and filed by the Secretary of State, if at the time
29 of filing the record contained inaccurate information or was
30 defectively signed.

31 (b) A certificate of correction under subdivision (a) may not
32 state a delayed effective date and shall do all of the following:

33 (1) State the present name of the limited liability company or
34 foreign limited liability company and the Secretary of State's file
35 number.

36 (2) Describe the title to the document to be corrected, including
37 its filing date.

38 (3) Set forth the name of each party to the document to be
39 corrected.

1 (4) Specify the inaccurate information and the reason it is
2 inaccurate or the manner in which the signing was defective.

3 (5) Correct the defective signature or inaccurate information.

4 (c) A certificate of correction shall be executed in the same
5 manner in which the record being corrected was required to be
6 executed.

7 (d) When filed by the Secretary of State, a certificate of
8 correction under subdivision (a) is effective retroactively as of the
9 effective date of the record the certificate corrects, but the statement
10 is effective when filed as to persons that previously relied on the
11 uncorrected record and would be adversely affected by the
12 retroactive effect.

13 SEC. 43. Section 17707.08 of the Corporations Code is
14 amended to read:

15 17707.08. (a) (1) The managers shall sign and cause to be
16 filed in the office of, and on a form prescribed by, the Secretary
17 of State, a certificate of dissolution upon the dissolution of the
18 limited liability company pursuant to Article 7 (commencing with
19 Section 17707.01), unless the event causing the dissolution is that
20 specified in subdivision (c) of Section 17707.01, in which case the
21 persons conducting the winding up of the limited liability
22 company's affairs pursuant to Section 17707.04 shall have the
23 obligation to sign and cause to be filed the certificate of dissolution.

24 (2) The certificate of dissolution shall set forth all of the
25 following:

26 (A) The name of the limited liability company and the Secretary
27 of State's file number.

28 (B) Any other information the persons filing the certificate of
29 dissolution determine to include.

30 (C) The event listed in Section 17707.01 causing dissolution.

31 (3) If a dissolution pursuant to subdivision (b) of Section
32 17707.01 is made by the vote of all of the members and a statement
33 to that effect is added to the certificate of cancellation of articles
34 of organization pursuant to subdivision (b), the separate filing of
35 a certificate of dissolution pursuant to this subdivision is not
36 required.

37 (b) (1) The persons who filed the certificate of dissolution shall
38 sign and cause to be filed in the office of, and on a form prescribed
39 by, the Secretary of State, a certificate of cancellation of articles
40 of organization upon the completion of the winding up of the affairs

1 of the limited liability company pursuant to Section 17707.06,
2 unless the event causing the dissolution is that specified in
3 subdivision (c) of Section 17707.01, in that case the persons
4 conducting the winding up of the limited liability company's affairs
5 pursuant to Section 17707.04 shall have the obligation to sign and
6 cause to be filed the certificate of cancellation of articles of
7 organization.

8 (2) The certificate of cancellation of articles of organization
9 shall set forth all of the following:

10 (A) The name of the limited liability company and the Secretary
11 of State's file number.

12 (B) That a final franchise tax return, as described by Section
13 23332 of the Revenue and Taxation Code, or a final annual tax
14 return, as described by Section 17947 of the Revenue and Taxation
15 Code, has been or will be filed with the Franchise Tax Board, as
16 required under Part 10.2 (commencing with Section 18401) of
17 Division 2 of the Revenue and Taxation Code.

18 (C) That upon the filing of the certificate of cancellation, the
19 limited liability company shall be canceled and its powers, rights,
20 and privileges shall cease.

21 (D) Any other information the persons filing the certificate of
22 cancellation of articles of organization determine to include.

23 (3) The Secretary of State shall notify the Franchise Tax Board
24 of the filing.

25 (c) Upon filing a certificate of cancellation pursuant to
26 subdivision (b), a limited liability company shall be canceled and
27 its powers, rights, and privileges shall cease.

28 SEC. 44. Section 17708.05 of the Corporations Code is
29 amended to read:

30 17708.05. (a) A foreign limited liability company whose name
31 does not comply with Section 17701.08 shall not obtain a certificate
32 of registration until it adopts, for the purpose of transacting
33 intrastate business in this state, an alternate name that complies
34 with Section 17701.08. A foreign limited liability company that
35 adopts an alternate name under this subdivision and obtains a
36 certificate of registration with the alternate name need not comply
37 with fictitious or assumed name statutes. After obtaining a
38 certificate of registration with an alternate name, a foreign limited
39 liability company shall transact intrastate business in this state
40 under the alternate name unless the limited liability company is

1 authorized under fictitious or assumed name statutes to transact
2 intrastate business in this state under another name.

3 (b) (1) If a foreign limited liability company authorized to
4 transact intrastate business in this state changes its name or its
5 alternate name or relinquishes its alternate name, the foreign limited
6 liability company shall not thereafter transact intrastate business
7 in this state under that name or alternate name until it delivers an
8 amended application to register, on a form prescribed by the
9 Secretary of State, to the Secretary of State for filing. A foreign
10 limited liability company shall not change its alternate name unless
11 its name does not comply with Section 17701.08.

12 (A) If the new name of the foreign limited liability company
13 does not comply with Section 17701.08, an alternate name, if one
14 has not been adopted, shall be adopted pursuant to subdivision (a).

15 (B) If the new name of the foreign limited liability company
16 complies with Section 17701.08, the foreign limited liability
17 company shall not adopt an alternate name pursuant to subdivision
18 (a) and shall relinquish any alternate name. A foreign limited
19 liability company that registered to transact intrastate business
20 with an alternate name prior to January 1, 2014, shall not be
21 required to relinquish the alternate name.

22 (C) If the foreign limited liability company is changing its
23 alternate name, the new alternate name shall comply with Section
24 17701.08.

25 (2) The amended application for registration shall state the
26 Secretary of State's file number, the name or alternate name, and
27 the new name or new alternate name adopted under subdivision
28 (a). Except as otherwise provided in subparagraph (B) of paragraph
29 (1), if the name of the limited liability company complies with
30 Section 17701.08, the amended application for registration also
31 shall contain the alternate name being relinquished.

32 (3) The foreign limited liability company shall deliver with the
33 amended application to register a certificate, issued by the Secretary
34 of State or other official having custody of the foreign limited
35 liability company's publicly filed records in the state or other
36 jurisdiction under whose law the limited liability company is
37 formed, that certifies the change of name was made in accordance
38 with the laws of that state or other jurisdiction. The certificate is
39 not required if the foreign limited liability company is changing

1 only its alternate name and the foreign limited liability company's
2 name does not comply with Section 17701.08.

3 (4) Upon the filing of the amended application to register with
4 the Secretary of State, the Secretary of State shall issue to the
5 foreign limited liability company a new certificate of registration
6 in accordance with Section 17708.04.

7 SEC. 45. Section 17708.06 of the Corporations Code is
8 amended to read:

9 17708.06. (a) To cancel its registration to transact intrastate
10 business in this state, a foreign limited liability company shall
11 deliver to the Secretary of State for filing a certificate of
12 cancellation, signed by a person with authority to do so under the
13 law of the state of its organization, stating all of the following:

14 (1) The name under which the foreign limited liability company
15 is authorized to transact intrastate business in this state, and the
16 Secretary of State's file number for the foreign limited liability
17 company.

18 (2) That a final franchise tax return, as described by Section
19 23332 of the Revenue and Taxation Code, or a final annual tax
20 return, as described by Section 17947 of the Revenue and Taxation
21 Code, has been or will be filed with the Franchise Tax Board, as
22 required under Part 10.2 (commencing with Section 18401) of
23 Division 2 of the Revenue and Taxation Code.

24 (3) That upon the filing of the certificate of cancellation the
25 registration of the foreign limited liability company shall be
26 canceled and its right to conduct intrastate business shall cease.

27 (b) The registration is canceled when the certificate of
28 cancellation becomes effective.

29 (c) The Secretary of State may cancel the application and
30 certificate of registration of a foreign limited liability company if
31 a check or other remittance accepted in payment of the filing fee
32 is not paid upon presentation. Upon receiving written notification
33 that the item presented for payment has not been honored for
34 payment, the Secretary of State shall give a first written notice of
35 the applicability of the section to the agent for service of process
36 or to the person submitting the instrument. Thereafter, if the amount
37 has not been paid by cashier's check or equivalent, the Secretary
38 of State shall give a second written notice of cancellation and the
39 cancellation shall thereupon be effective. The second notice shall

1 be given 20 days or more after the first notice, and 90 days or less
2 after the original filing.

3 SEC. 46. Section 17710.06 of the Corporations Code is
4 amended to read:

5 17710.06. (a) Upon conversion of a limited liability company,
6 one of the following applies:

7 (1) If the limited liability company is converting into a domestic
8 limited partnership, a statement of conversion shall be completed
9 on a certificate of limited partnership for the converted entity and
10 shall be filed with the Secretary of State.

11 (2) If the limited liability company is converting into a domestic
12 partnership, a statement of conversion shall be completed on the
13 statement of partnership authority for the converted entity. If no
14 statement of partnership authority is filed, a certificate of
15 conversion shall be filed separately with the Secretary of State.

16 (3) If the limited liability company is converting into a domestic
17 corporation, a statement of conversion shall be completed on the
18 articles of incorporation for the converted entity and shall be filed
19 with the Secretary of State.

20 (4) If the limited liability company is converting to a foreign
21 limited liability company or foreign other business entity, a
22 certificate of conversion shall be filed with the Secretary of State.

23 (b) Any certificate or statement of conversion shall be executed
24 and acknowledged by all members, unless a lesser number is
25 provided in the articles of organization or operating agreement,
26 and shall set forth all of the following:

27 (1) The name of the converting limited liability company and
28 the Secretary of State's file number of the converting limited
29 liability company.

30 (2) A statement that the principal terms of the plan of conversion
31 were approved by a vote of the members, that equaled or exceeded
32 the vote required under Section 17710.03, specifying each class
33 entitled to vote and the percentage vote required of each class.

34 (c) A certificate of conversion shall set forth all of the following:

35 (1) The name, form, and jurisdiction of organization of the
36 converted entity.

37 (2) The name, street, and mailing address of the converted
38 entity's agent for service of process.

39 (3) The street address of the converted entity's chief executive
40 office.

1 (d) The filing with the Secretary of State of a certificate of
2 conversion, a certificate of limited partnership, a statement of
3 partnership authority, or articles of incorporation containing a
4 statement of conversion as set forth in subdivision (a) shall have
5 the effect of the filing of a certificate of cancellation by the
6 converting limited liability company, and no converting limited
7 liability company that has made the filing is required to take any
8 action under Article 7 (commencing with Section 17707.01) as a
9 result of that conversion.

10 (e) For the purposes of this title, the certificate of conversion
11 shall be on a form prescribed by the Secretary of State.

12 SEC. 47. Section 17710.14 of the Corporations Code is
13 amended to read:

14 17710.14. (a) If the surviving entity is a limited liability
15 company or an other business entity, other than a corporation in a
16 merger in which a domestic corporation is a constituent party, after
17 approval of a merger by the constituent limited liability companies
18 and any constituent other business entities, the constituent limited
19 liability companies and constituent other business entities shall
20 file a certificate of merger in the office of, and on a form prescribed
21 by, the Secretary of State. The certificate of merger shall be
22 executed and acknowledged by each domestic constituent limited
23 liability company by all managers, or if none, all members unless
24 a lesser number is provided in the articles of organization or
25 operating agreement of the domestic constituent limited liability
26 company and by each foreign constituent limited liability company
27 by one or more managers, or if none, members, and by each
28 constituent other business entity by those persons required to
29 execute the certificate of merger by the laws under which the
30 constituent other business entity is organized. The certificate of
31 merger shall set forth all of the following:

32 (1) The names and the Secretary of State's file numbers, if any,
33 of each of the constituent limited liability companies and
34 constituent other business entities, separately identifying the
35 disappearing limited liability companies and disappearing other
36 business entities and the surviving limited liability company or
37 surviving other business entity.

38 (2) If a vote of the members was required pursuant to Section
39 17710.12, a statement setting forth the total number of outstanding
40 interests of each class entitled to vote on the merger and that the

1 principal terms of the agreement of merger were approved by a
2 vote of the number of interests of each class that equaled or
3 exceeded the vote required, specifying each class entitled to vote
4 and the percentage vote required of each class.

5 (3) If the surviving entity is a limited liability company and not
6 an other business entity, any change required to the information
7 set forth in the articles of organization of the surviving limited
8 liability company resulting from the merger, including any change
9 in the name of the surviving limited liability company resulting
10 from the merger. The filing of a certificate of merger setting forth
11 any such changes to the articles of organization of the surviving
12 limited liability company shall have the effect of the filing of a
13 certificate of amendment by the surviving limited liability
14 company, and the surviving limited liability company need not
15 file an amendment under Section 17702.02 to reflect those changes.

16 (4) The future effective date, that shall be a date certain not
17 more than 90 days subsequent to the date of filing of the merger,
18 if the merger is not to be effective upon the filing of the certificate
19 of merger with the office of the Secretary of State.

20 (5) If the surviving entity is an other business entity or a foreign
21 limited liability company, the full name of the entity, type of entity,
22 legal jurisdiction where the entity was organized and by whose
23 laws its internal affairs are governed, and the address of the
24 principal place of business of the entity.

25 (6) Any other information required to be stated in the certificate
26 of merger by the laws where each constituent other business entity
27 is organized, including if a domestic corporation is a party to the
28 merger, as required under paragraph (2) of subdivision (g) of
29 Section 1113. If the surviving entity is a foreign limited liability
30 company in a merger where a domestic corporation is a
31 disappearing other business entity, a copy of the agreement of
32 merger and attachments as required under paragraph (1) of
33 subdivision (g) of Section 1113 shall be filed at the same time as
34 the filing of the certificate of merger.

35 (b) If the surviving entity is a domestic corporation or a foreign
36 corporation in a merger that a domestic corporation is a constituent
37 party, after approval of the merger by the constituent limited
38 liability companies and constituent other business entities, the
39 surviving corporation shall file in the office of the Secretary of
40 State a copy of the agreement of merger and attachments required

1 under paragraph (1) of subdivision (g) of Section 1113. The
2 certificate of merger shall be executed and acknowledged by each
3 domestic constituent limited liability company by all of the
4 managers, unless a lesser number is provided in the articles of
5 organization of the limited liability company.

6 (c) A certificate of merger or the agreement of merger, as is
7 applicable under subdivisions (a) and (b), shall have the effect of
8 the filing of a certificate of cancellation for each disappearing
9 limited liability company, and no disappearing limited liability
10 company need take any action under Article 7 (commencing with
11 Section 17707.01) concerning dissolution as a result of the merger.

12 (d) If a disappearing other entity is a foreign corporation
13 qualified to transact intrastate business in this state, the filing of
14 the certificate of merger or agreement of merger, as is applicable,
15 by the foreign corporation shall automatically surrender its right
16 to transact intrastate business.

17 SEC. 48. Section 18210 of the Corporations Code is amended
18 to read:

19 18210. (a) An agent designated by an unincorporated
20 association for the service of process may deliver to the Secretary
21 of State, on a form prescribed by the Secretary of State for filing,
22 a signed and acknowledged written statement of resignation as an
23 agent for service of process containing the name of the
24 unincorporated association and Secretary of State's file number
25 of the unincorporated association, the name of the resigning agent
26 for service of process, and a statement that the agent is resigning.
27 The resignation is effective when filed. The Secretary of State
28 shall mail or otherwise provide written notice of the filing to the
29 unincorporated association at its address set out in the statement
30 filed by the association.

31 (b) An unincorporated association may at any time file with the
32 Secretary of State a revocation of a designation of an agent for
33 service of process on a form prescribed by the Secretary of State
34 containing the name of the unincorporated association and
35 Secretary of State's file number for the unincorporated association,
36 the name of the agent whose designation to accept service of
37 process is being revoked and a statement that the unincorporated
38 association has revoked the designation to accept service of
39 process. The revocation is effective when filed.

1 (c) Notwithstanding subdivisions (a) and (b), service made on
2 an agent designated by an unincorporated association for service
3 of process in the manner provided in subdivision (e) of Section
4 18200 is effective if made within 30 days after the statement of
5 resignation or the revocation is filed with the Secretary of State.

6 (d) The resignation of an agent may be effective if, on a form
7 prescribed by the Secretary of State containing the name of the
8 unincorporated association and Secretary of State's file number
9 for the unincorporated association and the name of the agent for
10 service of process, the agent disclaims having been properly
11 appointed as the agent.

12 (e) The Secretary of State may destroy or otherwise dispose of
13 any resignation filed pursuant to this section after a new form is
14 filed pursuant to Section 18200 replacing the agent for service of
15 process that has resigned.

16 SEC. 49. Section 14101.6 of the Financial Code is amended
17 to read:

18 14101.6. (a) Every credit union shall, within 90 days after the
19 filing of its original articles and annually thereafter during the
20 applicable filing period in each year, file, in a form prescribed by
21 the Secretary of State, a statement containing: (1) the name of the
22 credit union and the Secretary of State's file number; (2) the names
23 and complete business or residence addresses of its chief executive
24 officers, secretary, and chief financial officer; (3) the street address
25 of its principal office, if any; (4) if the credit union chooses to
26 receive renewal notices and any other notifications from the
27 Secretary of State by electronic mail instead of by United States
28 mail, a valid electronic mail address for the credit union or for the
29 credit union's designee to receive those notices; and (5) the mailing
30 address of the credit union, if different from the street address of
31 its principal office.

32 (b) The statement required by subdivision (a) shall also
33 designate, as the agent of the credit union for the purpose of service
34 of process, a natural person residing in this state or any domestic
35 or foreign business corporation that has complied with Section
36 1505 of the Corporations Code and whose capacity to act as an
37 agent has not terminated. If a natural person is designated, the
38 statement shall set forth that person's complete business or
39 residence street address. If a corporate agent is designated, no
40 address for it shall be set forth.

1 (c) For the purposes of this section, the applicable filing period
2 for a credit union shall be the calendar month during which its
3 original articles were filed and the immediately preceding five
4 calendar months. The Secretary of State shall provide a notice to
5 each credit union to comply with this section approximately three
6 months prior to the close of the applicable filing period. The notice
7 shall state the due date for compliance and shall be sent to the last
8 address of the credit union according to the records of the Secretary
9 of State if the credit union has elected to receive notices from the
10 Secretary of State by electronic mail. Neither the failure of the
11 Secretary of State to provide the notice nor the failure of the credit
12 union to receive it is an excuse for failure to comply with this
13 section.

14 (d) Whenever any of the information required by subdivision
15 (a) is changed, the credit union may file a current statement
16 containing all the information required thereby. In order to change
17 its agent for service of process or the address of the agent, the
18 corporation must file a current statement containing all the
19 information required by subdivisions (a) and (b). Whenever any
20 statement is filed pursuant to this section, it supersedes any
21 previously filed statement and the statement in the articles as to
22 the agent for service of process and the address of the agent.

23 (e) An agent designated for service of process pursuant to
24 subdivision (b) may deliver to the Secretary of State, on a form
25 prescribed by the Secretary of State for filing, a signed and
26 acknowledged written statement of resignation as an agent for
27 service of process containing the name of the credit union and
28 Secretary of State's file number of the credit union, the name of
29 the agent, and a statement that the agent is resigning. Thereupon
30 the authority of the agent to act in such capacity shall cease and
31 the Secretary of State forthwith shall notify the credit union of the
32 filing of the statement of resignation.

33 (f) If a natural person who has been designated agent for service
34 of process pursuant to subdivision (b) dies or resigns or no longer
35 resides in the state, or if the corporate agent for such purpose
36 resigns, dissolves, withdraws from the state, forfeits its right to
37 transact intrastate business, has its corporate rights, powers, and
38 privileges suspended or ceases to exist, the credit union shall
39 forthwith file a new statement designating a new agent conforming
40 to the requirements of subdivision (a).

1 (g) The resignation of an agent may be effective if, on a form
2 prescribed by the Secretary of State containing the name of the
3 credit union and Secretary of State's file number for the credit
4 union and the name of the agent for service of process, the agent
5 disclaims having been properly appointed as the agent.

6 (h) The Secretary of State may destroy or otherwise dispose of
7 any statement or resignation filed pursuant to this section after it
8 has been superseded by the filing of a new statement.

9 (i) This section shall not be construed to place any person
10 dealing with the credit union on notice of or in any duty to inquire
11 about the existence or content of the statement filed pursuant to
12 this section.

13 SEC. 50. Section 12261 of the Government Code is amended
14 to read:

15 12261. (a) The Secretary of State shall reinstate to active status
16 on its records, a business entity for which a court finds any of the
17 following:

18 (1) The factual representations by a shareholder, member,
19 partner, or other person that are contained in the termination
20 document are materially false.

21 (2) The submission of the termination document to the Secretary
22 of State for filing is fraudulent.

23 (b) If a court of competent jurisdiction orders reinstatement of
24 a business entity to active status on any of the grounds stated in
25 paragraph (1) or (2) of subdivision (a), the order for reinstatement
26 shall state all of the following:

27 (1) The specific grounds for reinstatement.

28 (2) That if there is a conflict with the entity name under
29 subdivision (b) of Section 201, subdivision (b) of Section 5122,
30 subdivision (c) of Section 7122, subdivision (b) of Section 9122,
31 subdivision (b) of Section 12302, subdivision (d) of Section
32 15901.08, subdivision (b) of Section 17701.08 of the Corporations
33 Code, or related statutes, the reinstatement shall be conditioned
34 upon the business entity concurrently submitting for filing an
35 amendment to change its name to eliminate the conflict along with
36 the certified copy of the order required by Section 12263.

37 (3) That the business entity shall be reinstated effective from
38 the date of the filing of the court order with the Secretary of State.

39 (c) The court order for reinstatement may be obtained by
40 submitting a petition to the superior court containing the legal and

1 factual basis for reinstatement or as part of a civil action for
2 damages or equitable relief. The Secretary of State shall not be
3 made a party to the proceeding.

4 *SEC. 51. Section 2.5 of this bill incorporates amendments to*
5 *Section 1155 of the Corporations Code proposed by both this bill*
6 *and Senate Bill 1301. It shall only become operative if (1) both*
7 *bills are enacted and become effective on or before January 1,*
8 *2015, (2) each bill amends Section 1155 of the Corporations Code,*
9 *and (3) this bill is enacted after Senate Bill 1301, in which case*
10 *Section 2 of this bill shall not become operative.*

11 *SEC. 52. Section 9.5 of this bill incorporates amendments to*
12 *Section 3304 of the Corporations Code proposed by both this bill*
13 *and Senate Bill 1301. It shall only become operative if (1) both*
14 *bills are enacted and become effective on or before January 1,*
15 *2015, (2) each bill amends Section 3304 of the Corporations Code,*
16 *and (3) this bill is enacted after Senate Bill 1301, in which case*
17 *Section 9 of this bill shall not become operative.*