

By: **Delegates Barve and Brown**

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Assigned to: Rules and Executive Nominations

Re-referred to: Economic Matters, February 25, 2002

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2002

CHAPTER _____

1 AN ACT concerning

2 **Limited Liability Companies - Mergers**

3 FOR the purpose of authorizing a domestic limited liability company to merge into
4 one or more foreign limited liability companies; authorizing one or more foreign
5 limited liability companies to merge into a domestic limited liability company;
6 requiring a domestic limited liability company to approve a merger in a certain
7 manner and by a certain vote under certain circumstances; making certain
8 stylistic changes; and generally relating to mergers of limited liability
9 companies.

10 BY repealing and reenacting, with amendments,
11 Article - Corporations and Associations
12 Section 4A-701 and 4A-702(f)
13 Annotated Code of Maryland
14 (1999 Replacement Volume and 2001 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Corporations and Associations**

18 4A-701.

19 (a) Unless the operating agreement provides otherwise, a domestic limited
20 liability company may merge into [1] ONE or more:

21 (1) [Limited] DOMESTIC LIMITED liability companies;

- 1 (2) FOREIGN LIMITED LIABILITY COMPANIES;
2 [(2)] (3) Partnerships;
3 [(3)] (4) Limited partnerships;
4 [(4)] (5) Corporations having capital stock; or
5 [(5)] (6) Business trusts having transferable units of beneficial interest.

6 (b) One or more DOMESTIC limited liability companies, FOREIGN LIMITED
7 LIABILITY COMPANIES, partnerships, limited partnerships, corporations having
8 capital stock, or business trusts having transferable units of beneficial interest may
9 merge into a domestic limited liability company.

10 4A-702.

11 (f) [A] UNLESS OTHERWISE PROVIDED IN THE OPERATING AGREEMENT, A
12 DOMESTIC limited liability company shall approve the merger [by the unanimous
13 consent of the members] ~~IN THE MANNER AND BY THE VOTE REQUIRED UNDER §~~
14 ~~4A-403 OF THIS TITLE~~ BY THE CONSENT OF THE MEMBERS HOLDING AT LEAST
15 TWO-THIRDS OF THE INTERESTS IN PROFITS OF THE LIMITED LIABILITY COMPANY.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2002.