

2012 Kansas Statutes

17-78-406. Effect of conversion. (a) When a conversion becomes effective:

- (1) The converted entity is:
 - (A) Organized under and subject to the organic law of the converted entity; and
 - (B) the same entity without interruption as the converting entity;
 - (2) all property of the converting entity continues to be vested in the converted entity without assignment, reversion or impairment;
 - (3) all liabilities of the converting entity continue as liabilities of the converted entity;
 - (4) except as provided by law other than this act or the agreement of conversion, all of the rights, privileges, immunities, powers and purposes of the converting entity remain in the converted entity;
 - (5) the name of the converted entity may be substituted for the name of the converting entity in any pending action or proceeding;
 - (6) if a converted entity is a filing entity, its public organic document is effective and is binding on its interest holders;
 - (7) if the converted entity is a limited liability partnership, its statement of qualification is effective simultaneously;
 - (8) the private organic rules of the converted entity that are to be in a record, if any, approved as part of the agreement of conversion are effective and are binding on and enforceable by:
 - (A) Its interest holders; and
 - (B) in the case of a converted entity that is not a corporation, any other person that is a party to an agreement that is part of the entity's private organic rules; and
 - (9) the interests in the converting entity are converted and the interest holders of the converting entity are entitled only to the rights provided to them under the agreement of conversion and to any appraisal rights they have under K.S.A. 2012 Supp. 17-78-109, and amendments thereto, and the converting entity's organic law.
- (b) Except as otherwise provided in the organic law or organic rules of the converting entity, the conversion does not give rise to any rights that an interest holder, governor or third party would otherwise have upon a dissolution, liquidation or winding-up of the converting entity.
- (c) When a conversion becomes effective, a person that did not have interest holder liability with respect to the converting entity and that becomes subject to interest holder liability with respect to a domestic entity as a result of a conversion has interest holder liability only to the extent provided by the organic law of the entity and only for those liabilities that arise after the conversion becomes effective.
- (d) When a conversion becomes effective:
- (1) The conversion does not discharge any interest holder liability under the organic law of a domestic converting entity to the extent the interest holder liability arose before the conversion became effective;
 - (2) a person does not have interest holder liability under the organic law of a domestic converting entity for any liability that arises after the conversion becomes effective;
 - (3) the organic law of a domestic converting entity continues to apply to the release, collection or discharge of any interest holder liability preserved under paragraph (1) as if the conversion had not occurred and the surviving converted entity were the domestic converting entity; and
 - (4) a person has whatever rights of contribution from any other person as are provided by the organic law or organic rules of the domestic converting entity with respect to any interest holder liability preserved under paragraph (1) as if the conversion had not occurred.
- (e) When a conversion becomes effective, a foreign entity that is the converted entity:
- (1) May be served with process in this state for the collection and enforcement of any of its liabilities; and
 - (2) irrevocably appoints the secretary of state as its agent to accept service of process in any such suit or other proceeding. Service of process shall be made on the foreign entity pursuant to K.S.A. 60-304, and amendments thereto.
- (f) If the converting entity is a qualified foreign entity, the certificate of authority or other foreign qualification of the converting entity is canceled when the conversion becomes effective.
- (g) A conversion does not require the entity to wind up its affairs and does not constitute or cause the dissolution of the entity.

History: L. 2009, ch. 47, § 28; July 1, 2010.