STATE OF MINNESOTA
SECRETARY OF STATE
CONVERSION HANDOUT

Below is the Filing and Statute information needed for filing a Conversion by a Domestic Corporation to a Limited Liability Company or by a Limited Liability Company to a Domestic Corporation.

FILING INFORMATION:

- **Articles and Plan of Conversion (See Statute Reference below for Requirements needed)**
- **Articles of Incorporation or Articles of Organization of the Converted Organization**
- **Must be signed on behalf of the converting company**
- **Filing Fee of $35.00 payable to the MN Secretary of State**

FILE IN-PERSON OR MAIL TO:
Minnesota Secretary of State - Business Services
Retirement Systems of Minnesota Building
60 Empire Drive, Suite 100
St Paul, MN 55103
(Staffed 8:00 - 4:00, Monday - Friday, excluding holidays)

STATUTE REFERENCE:

322B.78 CONVERSION

A domestic limited liability company that is not a nonprofit limited liability company may convert to a domestic corporation pursuant to sections 302A.681 to 302A.691.

History:

2004 c 199 art 14 s 50; 2008 c 233 art 3 s 5

302A.681 CONVERSION OF CORPORATIONS AND LIMITED LIABILITY COMPANIES

Subdivision 1.**Conversions authorized.**

A corporation may become a domestic limited liability company, and a domestic limited liability company may become a corporation, in each case pursuant to a plan of conversion.

Subd. 2.**Certain definitions.**

(a) For purposes of sections 302A.681 to 302A.691, the words, terms, and phrases in paragraphs (b) to (h) have the meanings given them.

(b) "Articles of organization" has the same meaning as it does under section 322B.03, subdivision 6.

(c) "Board of governors" has the same meaning as it does under section 322B.03, subdivision 7.

(d) "Class," when used with reference to membership interests, has the same meaning as it does under section 322B.03, subdivision 10.

(e) "Governor" has the same meaning as it does under section 322B.03, subdivision 24.

(f) "Member" has the same meaning as it does under section 322B.03, subdivision 30.

(g) "Membership interest" has the same meaning as it does under section 322B.03, subdivision 31.

(h) "Series," when used with reference to membership interests, has the same meaning as it does under section 322B.03, subdivision 44.

History:

2004 c 199 art 14 s 23

302A.683 PLAN OF CONVERSION

A plan of conversion must contain:

(1) the name of the converting organization;

(2) the name of the converted organization;

(3) whether the converted organization is a corporation or a limited liability company;

(4) the terms and conditions of the proposed conversion;

(5) the manner and basis of converting each ownership interest in the converting organization into ownership interests in the converted organization or, in whole or in part, into money or other property;

(6) a copy of the proposed articles of incorporation or articles of organization of the converted organization; and

(7) any other provisions with respect to the proposed conversion that are deemed necessary or desirable.

History:

2004 c 199 art 14 s 24

302A.685 PLAN APPROVAL

Subdivision 1.**Board approval; notice to owners.**

A resolution containing the plan of conversion must be approved by the affirmative vote of a majority of the directors or governors present at a meeting of the board of directors or the board of governors of the converting organization and must then be submitted at a regular or a special meeting to the owners of the converting organization. Written notice must be given to every owner of the converting organization, whether or not entitled to vote at the meeting, not less than 14 days nor more than 60 days before the meeting, in the manner provided in section 302A.435 for notice of a meeting of shareholders or in the manner provided in section 322B.34 for notice of a meeting of members. The written notice must state that a purpose of the meeting is to consider the proposed plan of conversion. A copy or short description of the plan of conversion must be included in or enclosed with the notice.

Subd. 2.**Approval by owners.**

At the meeting, a vote of the owners must be taken on the proposed plan. The plan of conversion is adopted when approved by the affirmative vote of the holders of a majority of the voting power of all shares or membership interests entitled to

vote. A class or series of shares or membership interests is entitled to vote as a class or series on the approval of the plan.

History:

2004 c 199 art 14 s 25

302A.687 ARTICLES OF CONVERSION

Subdivision 1.**Contents of articles.**

Upon receiving the approval required by section 302A.685, articles of conversion must be prepared that contain:

(1) the plan of conversion;

(2) the name of the converting organization immediately before the filing of the articles of conversion and the name to which the name of the converting organization is to be changed, which shall be a name that satisfies the laws applicable to the converted organization;

(3) the type of organization that the converted organization will be;

(4) a statement that the plan of conversion has been approved by the converting organization under section 302A.685; and

(5) a copy of the articles of incorporation or the articles of organization of the converted organization.

Subd. 2.**Articles signed, filed.**

The articles of conversion must be signed on behalf of the converting organization and filed with the secretary of state. Filing of the articles of conversion is also deemed to be a filing with the secretary of state of the articles of incorporation or the articles of organization of the converted organization.

Subd. 3.**Certificate.**

The secretary of state shall issue a certificate of conversion and a certificate of incorporation or a certificate of organization to the converted organization or its legal representative.

History:

2004 c 199 art 14 s 26

302A.689 ABANDONMENT OF CONVERSION

Subdivision 1.**By shareholders or plan.**

After a plan of conversion has been approved by the owners entitled to vote on the approval of the plan as provided in section 302A.685, and before the effective date of the plan, it may be abandoned:

(1) if the owners of the converting organization entitled to vote on the approval of the plan as provided in section 302A.685 have approved the abandonment at a meeting by the affirmative vote of the holders of a majority of the voting power of the shares or membership interests entitled to vote;

(2) if the plan itself provides for abandonment and all conditions for abandonment set forth in the plan are met; or

(3) pursuant to subdivision 2.

Subd. 2.**By board.**

A plan of conversion may be abandoned, before the effective date of the plan, by a resolution of the board of directors or the board of governors of the converting organization abandoning the plan of conversion approved by the affirmative vote of a majority of the directors or governors present.

Subd. 3.**Filing of articles.**

If articles of conversion have been filed with the secretary of state, but have not yet become effective, the converting organization shall file with the secretary of state articles of abandonment that contain:

(1) the name of the converting organization;

(2) the provision of this section under which the plan is abandoned; and

(3) if the plan is abandoned under subdivision 2, the text of the resolution abandoning the plan.

History:

2004 c 199 art 14 s 27

302A.691 EFFECTIVE DATE OR TIME OF CONVERSION; EFFECT

Subdivision 1.**Effective date or time.**

A conversion is effective when the articles of conversion are filed with the secretary of state or on a later date or at a later time specified in the articles of conversion.

Subd. 2.**Effect on organization.**

(a) A converted organization is for all purposes the same organization as the converting organization, having been incorporated or organized on the date that the converting organization was originally incorporated or organized.

(b) When a conversion becomes effective:

(1) if the converted organization is a corporation, the converted organization has all the rights, privileges, immunities, and powers, and is subject to all the duties and liabilities, of a corporation incorporated under this chapter;

(2) if the converted organization is a limited liability company, the converted organization has all the rights, privileges, immunities, and powers, and is subject to all the duties and liabilities, of a limited liability company organized under chapter 322B;

(3) all property owned by the converting organization remains vested in the converted organization;

(4) all debts, liabilities, and other obligations of the converting organization continue as obligations of the converted organization;

(5) an action or proceeding pending by or against the converting organization may be continued as if the conversion had not occurred; and

(6) all rights, privileges, immunities, and powers of the converting organization remain vested in the converted organization.

Subd. 3.**Effect on shareholders or members.**

When a conversion becomes effective, each share or membership interest in the converting organization is deemed to be converted into shares or membership interests in the converted organization or, in whole or in part, into money or other property to be received under the plan by the shareholders or the members, subject to any dissenters' rights under section 302A.471, in the case of shareholders of the converting organization, or section 322B.383, in the case of members of the converting organization.

History:

2004 c 199 art 14 s 28