

MICHIGAN LIMITED LIABILITY COMPANY ACT (EXCERPT)
Act 23 of 1993

ARTICLE 7

450.4701 Domestic limited liability companies; merger; plan.

Sec. 701. (1) Two or more domestic limited liability companies may merge pursuant to a plan of merger approved as provided in section 702.

(2) The plan of merger shall set forth all of the following:

(a) The name of each constituent company and the name of the surviving company.

(b) The terms and conditions of the proposed merger, including the manner and basis of converting the membership interests in each limited liability company into membership interests in the surviving company, or into cash or other property, or into a combination thereof.

(c) A statement of any amendment to the articles of organization of the surviving company to be effected by the merger or any restatement of the articles of organization, or a statement that no changes are to be made in the articles of organization of the surviving company.

(d) Other provisions with respect to the proposed merger that the constituent companies consider necessary or desirable.

History: 1993, Act 23, Eff. June 1, 1993;—Am. 1994, Act 410, Imd. Eff. Dec. 29, 1994;—Am. 1997, Act 52, Imd. Eff. July 1, 1997.

450.4702 Merger; approval of plan by members; withdrawal and distribution.

Sec. 702. (1) A plan of merger shall be submitted to the members of each constituent company for approval. A unanimous vote of the members entitled to vote in each constituent company is required to approve a merger, unless an operating agreement of a constituent company provides otherwise.

(2) If an operating agreement of a constituent company provides for approval of a merger by less than unanimous vote of members entitled to vote and the merger is approved, a member that did not vote in favor of the merger may withdraw from the limited liability company and receive, within a reasonable time, the fair value of the member's interest in the limited liability company, based upon the member's share of distributions as determined under section 303.

History: 1993, Act 23, Eff. June 1, 1993;—Am. 1994, Act 410, Imd. Eff. Dec. 29, 1994;—Am. 1997, Act 52, Imd. Eff. July 1, 1997;—Am. 2010, Act 290, Imd. Eff. Dec. 16, 2010.

450.4703 Plan of merger; execution; certificate; contents and effectiveness.

Sec. 703. (1) After a plan of merger is approved, a certificate of merger shall be executed as provided in section 103 and filed on behalf of each constituent company. The certificate shall set forth all of the following:

(a) The statements required by section 701(2)(a) and (c).

(b) A statement that the plan of merger has been approved by the members of the constituent company in accordance with section 702(1).

(c) A statement of any assumed names of merging limited liability companies transferred to the surviving company as authorized by section 206(6), specifying each transferred assumed name and the name of the limited liability company from which it is transferred. The certificate may include a statement of limited liability company names or assumed names of merging limited liability companies that are to be treated as newly filed assumed names of the survivor pursuant to section 206(7).

(d) The effective date of the merger if later than the date the certificate of merger is filed.

(2) The certificate of merger is effective in accordance with section 104.

History: 1993, Act 23, Eff. June 1, 1993;—Am. 1994, Act 410, Imd. Eff. Dec. 29, 1994;—Am. 1997, Act 52, Imd. Eff. July 1, 1997.

450.4704 Merger; provisions.

Sec. 704. When a merger takes effect, all of the following apply:

(a) Every other constituent company merges into the surviving company and the separate existence of every constituent company except the surviving company ceases.

(b) All property, real, personal, and mixed, all debts due on whatever account, including promises to make contributions, all other choses in action, and any other interest of or belonging to or due to each constituent company are vested in the surviving company without further act or deed and without reversion or impairment.

(c) The surviving company may use the name and the assumed names of any constituent company, if the filings required under section 206(6) and (7) are made.

(d) The surviving company has all of the liabilities of each constituent company.

(e) A proceeding pending against any constituent company may be continued as if the merger had not occurred or the surviving company may be substituted in the proceeding for the limited liability company whose existence ceased.

(f) The articles of organization of the surviving company are amended to the extent provided in the certificate of merger.

(g) The membership interests in each constituent company are converted into membership interests in the surviving company, cash, or other property as provided in the plan of merger.

History: 1993, Act 23, Eff. June 1, 1993;—Am. 1997, Act 52, Imd. Eff. July 1, 1997.

450.4705 Merger of foreign limited liability companies with domestic limited liability companies; conditions; compliance and liability of surviving company.

Sec. 705. (1) One or more foreign limited liability companies may merge with 1 or more domestic limited liability companies if both of the following are satisfied:

(a) The merger is permitted by the law of the jurisdiction under whose law each foreign constituent company is organized and each foreign constituent company complies with that law in effecting the merger.

(b) Each domestic constituent company complies with the provisions of sections 701 through 703.

(2) If the surviving company is to be governed by the laws of a jurisdiction other than this state, it shall comply with the provisions of this act with respect to foreign limited liability companies if it is to transact business in this state.

(3) The surviving company is liable for, and is subject to service of process in a proceeding in this state for the enforcement of, any obligation of a domestic constituent company, including any obligation to a member of the domestic constituent company who has dissented from the merger and withdrawn pursuant to section 702(2).

History: 1993, Act 23, Eff. June 1, 1993;—Am. 1994, Act 410, Imd. Eff. Dec. 29, 1994;—Am. 1997, Act 52, Imd. Eff. July 1, 1997.

450.4705a Definitions; merger of domestic limited liability companies with business organizations.

Sec. 705a. (1) As used in this section:

(a) "Business organization" means a domestic or foreign corporation, domestic or foreign nonprofit corporation, limited partnership, general partnership, telephone corporation formed under 1883 PA 129, MCL 484.1 to 484.10, or any other type of domestic or foreign business enterprise, incorporated or unincorporated, except a domestic limited liability company.

(b) "Entity" means a business organization or a domestic limited liability company.

(c) "Nonprofit corporation" means a corporation that, under the laws of the jurisdiction in which it was formed, is a nonprofit corporation, including, but not limited to, a corporation formed under or subject to, in whole or in part, the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

(d) "Obligated person" means a general partner of a limited partnership, a partner of a general partnership, or a participant in or an owner of an interest in any other type of business enterprise that, under applicable law, is generally liable for the obligations of the business enterprise.

(2) If all of the business organizations in a merger with 1 or more domestic limited liability companies are foreign limited liability companies, the merger must comply with section 705 and not this section.

(3) Except as otherwise provided in subsection (2), 1 or more domestic limited liability companies may merge with 1 or more business organizations if all of the following requirements are satisfied:

(a) The merger is permitted under the law of the jurisdiction in which each constituent business organization is organized and each constituent business organization complies with that law in effecting the merger.

(b) Each foreign constituent business organization transacting business in this state complies with the applicable laws of this state.

(c) Each domestic limited liability company complies with this section.

(4) If 1 or more domestic limited liability companies propose to merge with 1 or more business organizations, each domestic limited liability company shall prepare a plan of merger that contains all of the following:

(a) The name of each constituent entity, the name of the surviving entity, the street address of the surviving entity's principal place of business, and the type of organization of the surviving entity.

(b) The terms and conditions of the proposed merger, including the manner and basis of converting the shares, partnership interests, membership interests, or other ownership interests of each constituent entity into ownership interests or obligations of the surviving entity, or into cash or other consideration, which may include ownership interests or obligations of an entity not a party to the merger, or into a combination thereof.

(c) If the surviving entity is to be a domestic limited liability company, a statement of the amendments to the articles of organization of the surviving company if the articles are changed by the merger, a restatement of the articles of organization, or a statement that the articles of organization of the surviving domestic limited liability company are unchanged.

(d) Any other provision that the domestic limited liability company considers necessary or desirable.

(5) A constituent domestic limited liability company shall submit a plan of merger to the members for approval. A unanimous vote by the members entitled to vote in the constituent domestic limited liability company is required to approve a plan of merger unless an operating agreement of the constituent domestic limited liability company provides otherwise.

(6) If an operating agreement of a constituent domestic limited liability company provides for approval by less than unanimous vote of members entitled to vote and the merger is approved, a member that voted against the merger may withdraw from the domestic limited liability company and receive, within a reasonable time, the fair value of the member's interest in the domestic limited liability company, based on the member's share of distributions as determined under section 303.

(7) If a plan of merger is approved, a certificate of merger must be executed as provided in section 103 and filed on behalf of each constituent domestic limited liability company. The certificate of merger must contain all of the following:

(a) The information required under subsection (4)(a) and the statement required under subsection (4)(c).

(b) A statement that the plan of merger was approved by the members of each constituent domestic limited liability company in accordance with subsection (5).

(c) A statement of any assumed names of merging entities transferred to the surviving entity in accordance with section 206(6), specifying each transferred assumed name and the name of the entity from which the assumed name is transferred. If the surviving entity is a domestic limited liability company or a foreign limited liability company authorized to transact business in this state, the certificate may include a statement of 1 or more names or assumed names of merging entities that are to be treated as new certificates of assumed names of the surviving company under section 206(7).

(d) The effective date of the merger if later than the date the certificate of merger is filed.

(8) A certificate of merger is effective in accordance with section 104.

(9) When a merger is effective under this section, all of the following apply:

(a) Every other constituent entity merges into the surviving entity and the separate existence of every entity except the surviving entity ceases.

(b) The title to all property, real, personal, and mixed, and rights owned by each constituent entity are vested in the surviving entity without reversion or impairment.

(c) A surviving company may use the name and the assumed names of any merging entity if a filing required under section 206(6) or (7) or other applicable statute is made.

(d) The surviving entity has all of the liabilities of each constituent entity. This section does not affect liability, if any, of a person that was an obligated person with respect to a merging entity for acts or omissions that occurred before the merger.

(e) A proceeding pending against any constituent entity may be continued as if the merger did not occur or the surviving entity may be substituted in the proceeding for the entity whose existence ceased.

(f) The articles of organization of a surviving domestic limited liability company are amended to the extent provided in the plan of merger.

(g) The ownership interests of each constituent entity that are being converted into ownership interests or obligations of the surviving entity or into cash or other property are converted.

(10) If the surviving entity is a foreign business organization, it is subject to the laws of this state pertaining to the transaction of business in this state by a foreign business organization if it transacts business in this state. The surviving entity is liable for, and is subject to service of process in a proceeding in this state for the enforcement of, any obligation of a constituent domestic limited liability company, including an obligation to a member of the constituent domestic limited liability company that has dissented from the merger and withdrawn in accordance with subsection (6).

History: Add. 1997, Act 52, Imd. Eff. July 1, 1997;—Am. 2002, Act 686, Imd. Eff. Dec. 30, 2002;—Am. 2014, Act 559, Imd. Eff. Jan. 15, 2015;—Am. 2024, Act 175, Imd. Eff. Dec. 23, 2024.

450.4706 Abandoning plan of merger; procedure.

Sec. 706. (1) Unless a plan of merger provides otherwise, at any time before the effective date of a certificate of merger, the merger may be abandoned in accordance with the procedure set forth in the plan of merger or, if no procedure to abandon the merger is set forth in the plan of merger, by the unanimous vote of the members entitled to vote in each domestic limited liability company that is a constituent entity, unless an

operating agreement of a domestic limited liability company provides otherwise.

(2) If a certificate of merger has been filed by a constituent domestic limited liability company, it shall file a certificate of abandonment within 10 days after the abandonment but not later than the effective date of the certificate of merger.

History: 1993, Act 23, Eff. June 1, 1993;—Am. 1994, Act 410, Imd. Eff. Dec. 29, 1994;—Am. 1997, Act 52, Imd. Eff. July 1, 1997.

450.4707 Conversion of domestic partnership or domestic limited partnership to limited liability company.

Sec. 707. (1) A domestic partnership or domestic limited partnership may convert to a limited liability company in accordance with this section.

(2) The terms and conditions of a conversion under this section shall be approved by the partners in the manner provided in the partnership agreement for amendments to the partnership agreement or, if no provision for amendments to the partnership agreement is made in the partnership agreement, by all of the partners.

(3) If a conversion under this section is approved, the converting partnership or limited partnership shall file both of the following:

(a) Articles of organization that comply with section 203.

(b) A certificate of conversion, stating the name of the partnership or limited partnership and the date it was formed. In the case of a limited partnership, the certificate of conversion shall include a statement that the certificate of limited partnership is canceled as of the effective date of the articles of organization.

(4) If a limited partnership converts to a limited liability company under this section, the certificate of limited partnership is canceled as of the effective date of the articles of organization.

(5) If a conversion under this section takes effect, the limited liability company is considered the same entity that existed before the conversion. All property and rights of the converting partnership or limited partnership remain vested in the converted limited liability company. All liabilities of the converting partnership or limited partnership continue as liabilities of the converted limited liability company. An action or proceeding pending against the converting partnership or limited partnership may be continued as if the conversion under this section had not occurred. The liability, if any, of a general partner of the converting partnership or limited partnership for acts or omissions that occurred before a conversion under this section is not affected by a conversion under this section.

History: Add. 1997, Act 52, Imd. Eff. July 1, 1997.

450.4708 Conversion into business organization; requirements; effectiveness of certificate of conversion; foreign business organization as surviving business organization; "business organization" and "entity" defined.

Sec. 708. (1) A domestic limited liability company may convert into a business organization if all of the following requirements are satisfied:

(a) The conversion is permitted by the law that will govern the internal affairs of the business organization after conversion and the surviving business organization complies with that law in converting.

(b) Unless subdivision (d) applies, the domestic limited liability company proposing to convert adopts a plan of conversion that includes all of the following:

(i) The name of the domestic limited liability company, the name of the business organization into which the domestic limited liability company is converting, the type of business organization into which the domestic limited liability company is converting, identification of the statute that will govern the internal affairs of the surviving business organization, the street address of the surviving business organization, the street address of the domestic limited liability company if different from the street address of the surviving business organization, and the principal place of business of the surviving business organization.

(ii) The terms and conditions of the proposed conversion, including the manner and basis of converting the membership interests of the domestic limited liability company into ownership interests or obligations of the surviving business organization, into cash, into other consideration that may include ownership interests or obligations of an entity that is not a party to the conversion, or into a combination of cash and other consideration.

(iii) The terms and conditions of the organizational documents that are to govern the surviving business organization.

(iv) Any other provisions with respect to the proposed conversion that the domestic limited liability company considers necessary or desirable.

(c) A vote of the members of a domestic limited liability company is required to adopt a plan of conversion under subdivision (b). A unanimous vote of the members entitled to vote is required to approve a plan of

conversion unless the articles of organization or an operating agreement provide otherwise. If the articles of organization or an operating agreement of the domestic limited liability company provide for approval by less than a unanimous vote of members entitled to vote and the conversion is approved, a member that did not vote in favor of the conversion may withdraw from the domestic limited liability company before the conversion and receive, within a reasonable time, the fair value of the member's interest in the domestic limited liability company.

(d) If the domestic limited liability company has not commenced business; has not issued any membership interests; has no debts or other liabilities; and has not received any payments, or has returned any payments it has received after deducting any amount disbursed for payment of expenses, for subscriptions for its membership interests, subdivisions (b) and (c) do not apply and the organizers of the domestic limited liability company may approve of the conversion of the domestic limited liability company into a business organization by unanimous consent. To effect the conversion, a majority of the organizers must execute and file a certificate of conversion under subdivision (e).

(e) If the plan of conversion is approved under subdivision (c) or the conversion is approved under subdivision (d), the domestic limited liability company files any formation documents required to be filed under the laws governing the internal affairs of the surviving business organization, in the manner prescribed by those laws, and files a certificate of conversion with the administrator. The certificate of conversion shall include all of the following:

(i) Unless subdivision (d) applies, all of the information described in subdivision (b)(i).

(ii) A statement that the members of the domestic limited liability company have adopted the plan of conversion under subdivision (c), or that the organizers of the domestic limited liability company have approved of the conversion under subdivision (d), as applicable.

(iii) A statement that the surviving business organization will furnish a copy of the plan of conversion, on request and without cost, to any member of the domestic limited liability company.

(iv) A statement specifying each assumed name of the domestic limited liability company that the surviving business organization is authorized to continue to use under section 206(8).

(2) Section 104 applies in determining when a certificate of conversion under this section becomes effective.

(3) When a conversion under this section takes effect, all of the following apply:

(a) The domestic limited liability company converts into the surviving business organization, and the articles of organization of the domestic limited liability company are canceled. Except as otherwise provided in this section, the surviving business organization is organized under and subject to the organizational laws of the jurisdiction of the surviving business organization as stated in the certificate of conversion.

(b) The surviving business organization has all of the liabilities of the domestic limited liability company. The conversion of the domestic limited liability company into a business organization under this section shall not be considered to affect any obligations or liabilities of the domestic limited liability company incurred before the conversion or the personal liability of any person incurred before the conversion, and the conversion shall not be considered to affect the choice of law applicable to the domestic limited liability company with respect to matters arising before the conversion.

(c) The title to all real estate and other property and rights owned by the domestic limited liability company remain vested in the surviving business organization without reversion or impairment. The rights, privileges, powers, and interests in property of the domestic limited liability company, as well as the debts, liabilities, and duties of the domestic limited liability company, shall not be considered, as a consequence of the conversion, to have been transferred to the surviving business organization to which the domestic limited liability company has converted for any purpose of the laws of this state.

(d) The surviving business organization may use the name and the assumed names of the domestic limited liability company if the filings required under section 206(8) or any other applicable statute are made and the laws regarding use and form of names are followed.

(e) A proceeding pending against the domestic limited liability company may be continued as if the conversion had not occurred, or the surviving business organization may be substituted in the proceeding for the domestic limited liability company.

(f) The surviving business organization is considered to be the same entity that existed before the conversion and is considered to be organized on the date that the domestic limited liability company was originally organized.

(g) The membership interests of the domestic limited liability company that were to be converted into ownership interests or obligations of the surviving business organization or into cash or other property are converted.

(h) Unless otherwise provided in a plan of conversion adopted in accordance with this section, the

domestic limited liability company is not required to wind up its affairs or pay its liabilities and distribute its assets on account of the conversion, and the conversion does not constitute a dissolution of the domestic limited liability company.

(4) If the surviving business organization of a conversion under this section is a foreign business organization, it is subject to the laws of this state pertaining to the transaction of business in this state if it transacts business in this state. The surviving business organization is liable for, and is subject to service of process in a proceeding in this state for the enforcement of, an obligation of the domestic limited liability company, and in a proceeding for the enforcement of a right of a member of the domestic limited liability company that has withdrawn under subsection (1)(c).

(5) As used in this section and section 709, "business organization" and "entity" mean those terms as defined in section 705a.

History: Add. 2010, Act 290, Imd. Eff. Dec. 16, 2010.

450.4709 Conversion of business organization into domestic limited liability company; requirements; effectiveness of certificate of conversion.

Sec. 709. (1) A business organization may convert into a domestic limited liability company if all of the following requirements are satisfied:

(a) The conversion is permitted by the law that governs the internal affairs of the business organization, and the business organization complies with that law in converting.

(b) The business organization proposing to convert into a domestic limited liability company adopts a plan of conversion that includes all of the following:

(i) The name of the business organization, the type of business organization that is converting, identification of the statute that governs the internal affairs of the business organization, the name of the surviving domestic limited liability company into which the business organization is converting, the street address of the surviving domestic limited liability company, the street address of the business organization if different from the street address of the surviving domestic limited liability company, and the principal place of business of the surviving domestic limited liability company.

(ii) The terms and conditions of the proposed conversion, including the manner and basis of converting the ownership interests of the business organization into membership interests of the surviving domestic limited liability company, into cash, into other consideration that may include ownership interests or obligations of an entity that is not a party to the conversion, or into a combination of cash and other consideration.

(iii) The terms and conditions of the articles of organization that are to govern the surviving domestic limited liability company.

(iv) Any other provisions with respect to the proposed conversion that the business organization considers necessary or desirable.

(c) If a plan of conversion is adopted by the business organization under subdivision (b), the plan of conversion is submitted for approval in the manner required by the law governing the internal affairs of that business organization.

(d) If the plan of conversion is approved under subdivisions (b) and (c), the business organization executes as provided in section 103 and files a certificate of conversion with the administrator. The certificate of conversion shall include all of the following:

(i) All of the information described in subdivision (b)(i) and (ii).

(ii) A statement that the business organization has obtained approval of the plan of conversion under subdivision (c).

(iii) A statement that the surviving domestic limited liability company will furnish a copy of the plan of conversion, on request and without cost, to any owner of the business organization.

(iv) A statement specifying each assumed name of the business organization that the surviving domestic limited liability company is authorized to continue to use under section 206(9).

(v) Articles of organization for the surviving domestic limited liability company that meet all of the requirements of this act applicable to articles of organization.

(2) Section 104 applies in determining when a certificate of conversion under this section becomes effective.

(3) When a conversion under this section takes effect, all of the following apply:

(a) The business organization converts into the surviving domestic limited liability company. Except as otherwise provided in this section, the surviving domestic limited liability company is organized under and subject to this act.

(b) The surviving domestic limited liability company has all of the liabilities of the business organization. The conversion of the business organization into a domestic limited liability company under this section shall

not be considered to affect any obligations or liabilities of the business organization incurred before the conversion or the personal liability of any person incurred before the conversion, and the conversion shall not be considered to affect the choice of law applicable to the business organization with respect to matters arising before the conversion.

(c) The title to all real estate and other property and rights owned by the business organization remains vested in the surviving domestic limited liability company without reversion or impairment. The rights, privileges, powers, and interests in property of the business organization, as well as the debts, liabilities, and duties of the business organization, shall not be considered, as a consequence of the conversion, to have been transferred to the surviving domestic limited liability company to which the business organization has converted for any purpose of the laws of this state.

(d) The surviving domestic limited liability company may use the name and the assumed names of the business organization if the filings required under section 206(9) or any other applicable statute are made and the laws regarding use and form of names are followed.

(e) A proceeding pending against the business organization may be continued as if the conversion had not occurred, or the surviving domestic limited liability company may be substituted in the proceeding for the business organization.

(f) The surviving domestic limited liability company is considered to be the same entity that existed before the conversion and is considered to be organized on the date that the business organization was originally organized.

(g) The ownership interests of the business organization that were to be converted into membership interests or obligations of the surviving domestic limited liability company or into cash or other property are converted.

(h) Unless otherwise provided in a plan of conversion adopted in accordance with this section, the business organization is not required to wind up its affairs or pay its liabilities and distribute its assets on account of the conversion, and the conversion does not constitute a dissolution of the business organization.

History: Add. 2010, Act 290, Imd. Eff. Dec. 16, 2010.