

386A.7-060 Conversion of partnership or limited partnership to statutory trust.

- (1) An entity other than a corporation governed as to its internal affairs by KRS Chapter 273 or a nonprofit limited liability company may be converted to a statutory trust pursuant to this section.
- (2) The terms and conditions of a conversion shall be approved:
 - (a) In the case of a partnership or a limited partnership, by all of the partners notwithstanding any provision to the contrary in the partnership agreement;
 - (b) In the case of a limited liability company, by all of the members notwithstanding any provision to the contrary in the operating agreement; and
 - (c) In the case of a corporation, by such action of the board of directors as would be required to approve a merger and, notwithstanding any provision to the contrary in the articles of incorporation, bylaws, or other agreement, all of the shareholders.
- (3) After the conversion is approved under subsection (2) of this section, the converting organization shall deliver to the Secretary of State for filing a certificate of trust which satisfies the requirements of KRS 386A.2-010 and includes as well:
 - (a) A statement that the converting organization was converted to a statutory trust;
 - (b) The former name of the converting organization;
 - (c) The form of organization of the converting organization prior to the conversion; and
 - (d) A statement that the conversion was approved in accordance with subsection (2) of this section.
- (4) In the case of a converting partnership that has filed a statement of registration as a limited liability partnership in accordance with KRS 362.555 or a statement of qualification in accordance with KRS 362.1-931, each shall be deemed canceled as of the effective date and time of the certificate of trust as determined in accordance with KRS 14A.2-070.
- (5) In the case of a converting limited partnership, the limited partnership's certificate of limited partnership shall be deemed canceled as of the effective date and time of the certificate of trust as determined in accordance with KRS 14A.2-070.
- (6) In the case of a converting limited liability company, its articles of organization shall be deemed canceled as of the effective time and date of the certificate of trust as determined in accordance with KRS 14A.2-070.
- (7) In the case of a converting corporation, its articles of incorporation shall be deemed canceled as of the effective time and date of the certificate of trust as determined in accordance with KRS 14A.2-070.
- (8) The conversion shall take effect when the certificate of trust is filed with the office of the Secretary of State or, as provided in KRS 14A.2-070, at a later date specified in the certificate of trust.
- (9) A partner or, in the case of a limited partnership, a general partner, who becomes a beneficial owner of a statutory trust as a result of a conversion shall remain liable as

a partner or general partner for an obligation incurred by the partnership or limited partnership before the conversion takes effect.

Effective: July 12, 2012

History: Created 2012 Ky. Acts ch. 81, sec. 61, effective July 12, 2012.