

§ 55A-11A-04. Effects of conversion.

When the conversion takes effect, all of the following apply:

- (1) The converting business entity ceases its prior form of organization and continues in existence as the resulting domestic nonprofit corporation.
- (2) The title to all real estate and other property owned by the converting business entity continues vested in the resulting domestic nonprofit corporation without transfer, reversion, or impairment.
- (3) Except as otherwise provided by law or by the plan of conversion, all rights, privileges, immunities, powers, and purposes of the converting business entity remain vested in the resulting domestic nonprofit corporation.
- (4) All debts, obligations, and other liabilities of the converting business entity continue as debts, obligations, and other liabilities of the resulting domestic nonprofit corporation.
- (5) A proceeding pending by or against the converting business entity may be continued as if the conversion did not occur. The name of the resulting domestic nonprofit corporation may be substituted for the name of the converting business entity in any pending action or proceeding.
- (6) The interests and obligations in the converting business entity are converted to eligible interests or other securities, rights to acquire interests or other securities, obligations, cash, or other property of the resulting domestic corporation in accordance with the plan of conversion.
- (7) All of the following apply to the resulting domestic nonprofit corporation:
 - a. It is incorporated under and subject to this Chapter.
 - b. It converts from the converting business entity into its new form of organization without interruption.
 - c. It is deemed to have been incorporated on the date that the converting entity was originally incorporated or organized.

The conversion does not affect the liability or absence of liability of any holder of an interest in the converting business entity for any acts, omissions, or obligations of the converting business entity made or incurred prior to the effectiveness of the conversion. The cessation of the existence of the converting business entity in its prior form of organization in the conversion does not constitute a dissolution or termination of the converting business entity. (2026-52, s. 6(a).)