

17-78-506. Effect of domestication. (a) When a domestication becomes effective:

- (1) The domesticated entity is:
 - (A) Organized under and subject to the organic law of the domesticated entity; and
 - (B) the same entity without interruption as the domesticating entity;
 - (2) all property of the domesticating entity continues to be vested in the domesticated entity without assignment, reversion or impairment;
 - (3) all liabilities of the domesticating entity continue as liabilities of the domesticated entity;
 - (4) except as provided by law other than this act or the agreement of domestication, all of the rights, privileges, immunities, powers and purposes of the domesticating entity remain in the domesticated entity;
 - (5) the name of the domesticated entity may be substituted for the name of the domesticating entity in any pending action or proceeding;
 - (6) if the domesticated entity is a filing entity, its public organic document is effective and is binding on its interest holders;
 - (7) if the domesticated entity is a limited liability partnership, its statement of qualification is effective simultaneously;
 - (8) the private organic rules of the domesticated entity that are to be in a record, if any, approved as part of the agreement of domestication are effective and are binding on and enforceable by:
 - (A) Its interest holders; and
 - (B) in the case of a domesticated entity that is not a corporation, any other person that is a party to an agreement that is part of the domesticated entity's private organic rules; and
 - (9) the interests in the domesticating entity are converted to the extent and as approved in connection with the domestication and the interest holders of the domesticating entity are entitled only to the rights provided to them under the agreement of domestication and to any appraisal rights they have under K.S.A. 2014 Supp. 17-78-109, and amendments thereto, and the domesticating entity's organic law.
- (b) Except as otherwise provided in the organic law or organic rules of the domesticating entity, the domestication 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 domesticating entity.
- (c) When a domestication becomes effective, a person that did not have interest holder liability with respect to the domesticating entity and that becomes subject to interest holder liability with respect to a domestic entity as a result of the domestication 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 domestication becomes effective.
- (d) When a domestication becomes effective:
- (1) The domestication does not discharge any interest holder liability under the organic law of a domesticating domestic entity to the extent the interest holder liability arose before the domestication became effective;
 - (2) a person does not have interest holder liability under the organic law of a domestic domesticating entity for any liability that arises after the domestication becomes effective;
 - (3) the organic law of a domestic domesticating entity continues to apply to the release, collection or discharge of any interest holder liability preserved under paragraph (1) as if the domestication had not occurred and the domesticated entity were the domestic domesticating 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 a domestic domesticating entity with respect to any interest holder liability preserved under paragraph (1) as if the domestication had not occurred.
- (e) When a domestication becomes effective, a domesticated entity that is a foreign 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 domesticating entity is a qualified foreign entity, the certificate of authority or other foreign qualification of the domesticating entity is canceled when the domestication becomes effective.
- (g) A domestication 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, § 34; July 1, 2010.