

1 liability partnership from a limited liability company;

2 (b) its former name;

3 (c) a statement that all voting members voted unanimously for the conversion; and

4 (d) a statement that the limited liability company is to be canceled as of the date on which the
5 conversion took effect.

6 (5) The filing of articles of organization under subsection (4) cancels the certificate of the limited
7 liability company as of the date on which the conversion took effect.

8 (6) A conversion takes effect when the required documentation is filed in the office of the secretary
9 of state or at a later date specified in the articles of incorporation or registration of limited liability partnership.

10 (7) This section only allows a domestic limited liability company to convert to a domestic
11 corporation or a limited liability partnership.

12

13 **Section 2.** Section 35-8-307, MCA, is amended to read:

14 **"35-8-307. Management and voting.** (1) Unless the articles of organization or the operating
15 agreement provide otherwise, in a member-managed company:

16 (a) each member has equal rights in the management and conduct of the company's business;
17 and

18 (b) except as provided in subsection (3), any matter relating to the business of the company may
19 be decided by a majority of the members.

20 (2) Unless the articles of organization or the operating agreement provide otherwise, in a manager-
21 managed company:

22 (a) each manager has equal rights in the management and conduct of the company's business;

23 (b) except as provided in subsection (3), any matter relating to the business of the company may
24 be exclusively decided by the manager or, if there is more than one manager, by a majority of the managers;
25 and

26 (c) a manager:

27 (i) must be designated, appointed, elected, removed, or replaced by a vote, approval, or consent
28 of a majority of the members; and

1 (ii) holds office until a successor has been elected and qualified, unless the manager sooner
2 resigns or is removed.

3 (3) Unless the articles of organization or the operating agreement provide otherwise, the only
4 matters of a member-managed or manager-managed company's business requiring the consent of all of the
5 members are:

6 (a) the amendment of the operating agreement under 35-8-109;

7 (b) the authorization or ratification of acts or transactions under 35-8-109(3)(b)(ii) that would
8 otherwise violate the duty of loyalty;

9 (c) an amendment to the articles of organization under 35-8-203;

10 (d) the compromise of an obligation to make a contribution under 35-8-502;

11 (e) the compromise, as among members, of an obligation to make a contribution or return money
12 or other property paid or distributed in violation of this chapter;

13 (f) the making of interim distributions under 35-8-601, including the redemption or repurchase of
14 an interest;

15 (g) the admission of a new member;

16 (h) the use of the company's property to redeem an interest subject to a charging order;

17 (i) the consent to dissolve the company under 35-8-901;

18 (j) a waiver of the right to have the company's business wound up and the company terminated
19 under 35-8-901;

20 (k) the consent of members to merge with another entity under 35-8-1201; and

21 (l) the sale, lease, exchange, or other disposal of all, or substantially all, of the company's
22 property with or without goodwill.

23 (4) Unless the articles of organization or the operating agreement provide otherwise, the
24 management of a series of members is vested in the members associated with the series in proportion to their
25 contribution to the capital of the series as adjusted from time to time to reflect properly any additional
26 contributions or withdrawals from the assets or income of the series by the members associated with the series.

27 (5) Action requiring the consent of members or managers under this chapter may be taken without
28 a meeting.

