



2001 SENATE BILL 333

December 6, 2001 – Introduced by Senators M. MEYER, COWLES, BURKE, DARLING, S. FITZGERALD, HUELSMAN, KANAVAS, ROESSLER and HARSDORF, cosponsored by Representatives JESKEWITZ, PLALE, VRAKAS, DUFF, GROTHMAN, HINES, KRAWCZYK, LA FAVE, LASSA, MCCORMICK, OLSEN, STONE, TOWNSEND, URBAN, WALKER, SYKORA and KREIBICH. Referred to Committee on Universities, Housing, and Government Operations.

1 **AN ACT to repeal** 180.1107, 180.1709 and 183.1203 (1); **to renumber** 178.43,
2 178.46 (1), 179.14 (1), 179.16 (1), 183.0107 (1), 183.0108 (1) and 551.02 (1); **to**
3 **renumber and amend** 183.1203 (2) and 185.83 (1) (b); **to amend** 77.21 (1e),
4 178.46 (2) and (4), 178.48 (1) (intro.), 178.51 (1), 179.03 (2), 179.04 (1) (b), 179.11
5 (1) (intro.), 179.12 (1) (intro.), 179.13 (intro.), 179.185 (1), 179.24 (1) (b),
6 subchapter VIII (title) of chapter 179 [precedes 179.70], 179.82 (intro.), 179.82
7 (4), 179.86 (1), 179.88, 180.0103 (16), 180.0122 (1) (intro.), 180.0122 (1) (j),
8 180.0122 (1) (x), 180.0122 (1) (y), 180.0125 (1), 180.0402 (1), 180.0501 (2) and
9 (3), subchapter XI (title) of chapter 180 [precedes 180.1100], 180.1101 (1),
10 180.1101 (2) (a), 180.1101 (2) (c), 180.1101 (3) (a), 180.1102 (1), 180.1102 (2) (a),
11 180.1102 (2) (c), 180.1103 (6), 180.1104 (title), 180.1104 (1), 180.1104 (2) (b),
12 180.1104 (3), 180.1104 (4), 180.1104 (5), 180.1105 (1) (intro.), 180.1105 (1) (b),
13 180.1106 (1) (a), 180.1106 (1) (b), 180.1106 (1) (c), 180.1106 (1) (d), 180.1106 (1)
14 (f), 180.1150 (3) (e), 180.1421 (1) and (2), 180.1504 (1) (intro.) and (b), 180.1507

SENATE BILL 333

1 (2), 180.1507 (3), 180.1530 (1m) and (2), 180.1531 (1) and (2) (a) and (b),
2 180.1532 (1), 181.0122 (1) (intro.), 181.0122 (1) (j), 181.0402 (1), 181.0501 (2),
3 181.0501 (3), subchapter XI (title) of chapter 181 [precedes 181.1100], 181.1101
4 (1), 181.1101 (2) (a), 181.1101 (2) (d), 181.1101 (3) (a), 181.1103 (6), 181.1104
5 (title), 181.1104 (1), 181.1104 (2) (b), 181.1104 (3), 181.1104 (4), 181.1105
6 (intro.), 181.1105 (2), 181.1106 (1), 181.1106 (2), 181.1106 (4), 181.1107 (2),
7 181.1108, 181.1421 (1), 181.1421 (4) (b), 181.1422 (2) (a) (intro.), 181.1423 (2),
8 181.1504 (1) (b), 181.1507 (2), 181.1507 (3), 181.1531 (1), 181.1531 (2) (a), (b)
9 and (c) 1. (intro.), 181.1531 (3), 181.1532 (1), 183.0104 (1), 183.0105 (1) (b),
10 183.0105 (1) (c), 183.0108 (3), 183.0110 (1), 183.0114 (1) (intro.), 183.0114 (1) (j),
11 183.0114 (1) (w), 183.0802 (3), 183.0901 (4) (intro.), 183.1001 (1), 183.1006 (1)
12 (a), 183.1006 (1) (b), 183.1020 (2), 183.1020 (3), 183.1021 (1) and (2), 183.1021
13 (3), 183.1022 (1), subchapter XII (title) of chapter 183 [precedes 183.1200],
14 183.1201 (2), 183.1201 (3), 183.1202 (3), 183.1202 (4), 183.1206, 184.10 (4),
15 185.48 (4), 185.48 (6), 185.83 (1) (intro.), 551.23 (8) (g), 551.23 (10), 551.23 (11)
16 (a) and 611.72 (2); **to repeal and recreate** 180.0122 (1) (o), 180.1106 (1) (e),
17 181.0103 (7), 181.0103 (23), 181.0122 (1) (o), 181.1106 (3), 181.1106 (5),
18 181.1403 (1) (e), 181.1421 (2), 183.0114 (1) (n), 183.0204, 183.1204 (1) and
19 183.1205; and **to create** 71.80 (21), 71.80 (22), 73.03 (58), 77.25 (6d), 77.25 (6m),
20 77.61 (15), 178.43 (2m) and (3m), 178.46 (1g), 178.48 (4), 179.045, 179.14 (1g),
21 179.16 (1g), 179.70, 179.76, 179.77, 180.0103 (7g), 180.0103 (7k), 180.0121 (1)
22 (a) 4., 180.0122 (1) (yr), 180.0122 (5), 180.1100, 180.1105 (1) (c), 180.1105 (1) (d),
23 180.1106 (1) (am), 180.1106 (3), 180.1161, 180.1302 (1) (cm), 180.1421 (2m),
24 180.1531 (2m), 181.0103 (10m) and (10p), 181.0121 (1) (a) 4., 181.0122 (1) (yr),
25 181.0122 (5), 181.1100, 181.1105 (3) (c), 181.1105 (5), 181.1105 (6), 181.1106

SENATE BILL 333

1 (1m), 181.1106 (6), 181.1161, 181.1531 (2g), 181.1531 (2r), 183.0107 (1g),
2 183.0108 (1g), 183.0109 (1) (a) 5., 183.0114 (1) (mp), 183.0114 (3), 183.0404 (2)
3 (fm), 183.0504, 183.1021 (2g), 183.1021 (2r), 183.1200, 183.1202 (6), 183.1207,
4 185.83 (1) (b) 2., 185.83 (1) (bm), 185.83 (1m), 551.02 (1g) and 551.31 (1) (d) of
5 the statutes; **relating to:** merger and conversion of business entities,
6 exemptions from securities registration requirements and licensing
7 requirements for securities broker-dealers and securities agents, registered
8 agents for business entities, filing of documents relating to certain business
9 entities, administrative dissolution of business entities, amended certificates
10 of authority for certain foreign business entities, granting rule-making
11 authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Conversion of business entities

Current law does not permit the conversion of one form of business entity into another form of business entity. This bill authorizes limited partnerships, limited liability companies, business corporations, and nonstock corporations to convert into any other forms of business entity. Under the bill, the business entity that is to be converted into another business entity must submit to the department of financial institutions (DFI) the plan of conversion, a statement that the conversion was approved in accordance with the applicable law of the jurisdiction that governs the organization of the business entity, and the registered agent and registered office, record agent, and record office, or other similar agent and office of the business entity before and after conversion.

The bill requires that the plan of conversion set forth the name, form of business entity, and the identity of the jurisdiction governing the business entity that is to be converted; the name, form of business entity, and the identity of the jurisdiction that will govern the business entity after conversion; the terms and conditions of the conversion; the manner and basis of converting the shares or other ownership interests of the business entity that is to be converted into the shares or other ownership interests of the new form of business entity; the effective date and time of the conversion; a copy of the articles of incorporation, articles of organization, certificate of limited partnership, or other similar governing document of the business entity after conversion; and, any other provision relating to the conversion, as determined by the business entity.

SENATE BILL 333

Under the bill, when a conversion becomes effective, except with respect to taxation laws of each jurisdiction that are applicable upon the conversion of the business entity, the business entity that is converted is no longer subject to the applicable law of the jurisdiction that governed the organization of the prior form of business entity and is subject to the applicable law of the jurisdiction that governs the new form of business entity; the business entity continues to have all liabilities of the business entity that was converted; the articles of incorporation, articles of organization, certificate of limited partnership, or other similar governing document, whichever is applicable, of the business entity are as provided in the plan of conversion; and, all other provisions of the plan of conversion apply.

Finally, under the bill, any civil, criminal, administrative, or investigatory proceeding that is pending by or against a business entity that is converted may be continued by or against the business entity after the effective date of conversion.

Merger of business entities

Current law authorizes business corporations to merge into other business corporations, nonstock corporations to merge into other nonstock corporations or into a business corporation, and limited liability companies to merge into other limited liability companies. This bill authorizes limited partnerships, limited liability companies, business corporations, and nonstock corporations to merge into any other form of business entity, not just into the same form of business entity. Under the bill, the surviving business entity of the merger must submit to DFI the plan of merger, a statement that the plan of merger was approved by each business entity that is a party to the merger in the manner required by the laws applicable to each business entity, the effective date and time of the merger, and any other provision relating to the merger, as determined by the surviving business entity.

Under the bill, the plan of merger must set forth the name, form of business entity, and identity of the jurisdiction governing each business entity that is a party to the merger; the name, form of business entity, and identity of the jurisdiction of the surviving business entity with or into which each other business entity proposes to merge; and, the manner and basis of converting the interests in each business entity that is a party to the merger into shares, interests, obligations, or other securities of the surviving business entity or any other business entity or into cash or other property in whole or in part. In addition, the plan of merger may set forth amendments to the governing document of the surviving business entity and any other provision relating to the merger.

Under the bill, a merger has the following effects:

1. Every other business entity that is a party to the merger merges into the surviving business entity, and the separate existence of every business entity, except the surviving business entity, ceases.

2. If the merger is with or into a business entity under the laws applicable to which one or more of the owners of the business entity is liable for the debts and obligations of the business entity, the owner or owners are so liable only for the debts and obligations accrued during the period or periods in which such laws are applicable.

SENATE BILL 333

3. The title to all property owned by each business entity that is a party to the merger is vested in the surviving business entity without reversion or impairment. Provided that, in the case of real estate located in Wisconsin, the real estate is properly conveyed to the surviving business entity.

4. The surviving business entity has all liabilities of each business entity that is party to the merger.

5. A civil, criminal, administrative, or investigatory proceeding pending by or against any business entity that is a party to the merger may be continued as if the merger did not occur, or the surviving business entity may be substituted in the proceeding for the business entity whose existence ceased.

6. The articles of incorporation, articles of organization, certificate of limited partnership, or other similar governing document, whichever is applicable, of the surviving business entity are amended to the extent provided in the plan of merger.

7. The shares or other interests of each business entity that is party to the merger that are to be converted into shares, interests, obligations, or other securities of the surviving business entity or any other business entity or into cash or other property are converted, and the former holders of the shares or interests are entitled only to the rights provided in the articles of merger or to their rights under the laws applicable to each business entity that is a party to the merger.

8. If the surviving business entity is a foreign business entity, DFI is the agent of the surviving foreign business entity for service of process in a proceeding to enforce any obligation of any business entity that is a party to the merger or the rights of the dissenting members or other owners of each business entity that is a party to the merger.

9. When a merger takes effect, any surviving foreign business entity of the merger must promptly pay to the dissenting shareholders of each domestic corporation or dissenting owners of each other domestic business entity that is a party to the merger the amount, if any, to which they are entitled under laws applicable to the domestic corporation or other domestic business entity.

Merger fees

Under current law, the fee for filing documents of merger varies depending upon the type of entity executing the merger. The fee for filing articles of merger by a corporation is \$50 per corporation. For a nonstock corporation, the fee is \$30 per corporation. For a limited liability company, the fee is \$50 per company. For a cooperative, the fee is \$10.

This bill sets these filing fees uniformly at \$150, except that the fee applicable to a cooperative under the bill is \$30.

Electronic filing

Wisconsin law currently specifies that documents required to be filed by corporations with DFI may be filed in electronic format. This bill specifies that documents required to be filed by limited partnerships, limited liability partnerships, nonstock corporations, and limited liability companies may be filed in electronic format, as well.

SENATE BILL 333***Filing fees***

Current law specifies numerous fees that limited liability partnerships, limited partnerships, corporations, nonstock corporations, limited liability companies, unincorporated nonprofit associations, and cooperatives must pay in order to file certain documents with DFI. In certain limited circumstances, current law specifies a higher fee for documents filed in paper format. This bill permits DFI, by rule, to establish a higher fee that applies if any of these documents are filed in paper format.

Registered agents

Current law requires every limited partnership, corporation, nonstock corporation, and limited liability company to appoint a registered agent, who receives certain communications on behalf of the business organization and who accepts service of process (for example, service of a summons and complaint). Current law permits these business organizations to appoint a business entity, rather than an individual, as registered agent; however, the types of business entities authorized to serve as registered agent are not uniform across all of the laws governing these business organizations. Current law does not authorize any of these business organizations to appoint a limited partnership or limited liability partnership as registered agent. Under this bill, these business organizations may appoint a limited partnership, limited liability partnership, corporation, nonstock corporation, or limited liability company as registered agent.

Current law specifies a procedure which the registered agent of a corporation, nonstock corporation, or limited liability company may follow to resign. This bill creates a similar procedure applicable to the registered agent of a limited partnership or limited liability partnership. This bill also deletes all fees required for filing a document to reflect only a change in registered agent.

Dissolution of nonstock corporations

Currently, in order to dissolve, a nonstock corporation must file articles of dissolution with DFI. If approval by members of the nonstock corporation is required for the dissolution, the articles of dissolution must itemize the number of votes cast on the question by each class of members entitled to vote. This bill repeals this requirement and, instead, requires that the articles of dissolution include a statement that dissolution was approved by a sufficient vote of the members of each class entitled to vote.

Amended certificates of authority for foreign entities

Under current law, a foreign corporation or foreign nonstock corporation must obtain a certificate of authority from DFI in order to transact business in this state. Similarly, a foreign limited liability company must obtain a certificate of registration from DFI. Current law specifies certain conditions under which a foreign corporation, foreign nonstock corporation, or foreign limited liability company must obtain an amended certificate (for example, if the entity changes the jurisdiction under which it is organized). This bill further requires a foreign corporation, foreign nonstock corporation, or foreign limited liability company to obtain an amended certificate if the entity changes the date of its incorporation or organization.

SENATE BILL 333***Notice of administrative dissolution or revocation***

Current law requires DFI to “serve” a domestic or foreign corporation with notice of grounds for administratively dissolving the corporation. A similar requirement applies with regard to foreign limited liability companies. This bill, instead, requires DFI to “give” a notice to the affected entity. The notice must be addressed to the entity’s registered office. The bill also creates a procedure that DFI must follow to give notice, if the original notice is returned as undeliverable.

Exemptions from securities registration requirements and licensing requirements for securities broker-dealers and securities agents

Under current law, a person may not offer or sell any security in this state unless a registration statement relating to the security is filed with the division of securities in DFI (division) or unless the security is exempt from state registration requirements under federal law. However, current law exempts certain types of securities and transactions from this registration requirement. For example, an offer or sale of a security currently is exempt from registration if the offer or sale is made to an individual who qualifies as an accredited investor under the rules of the division, as long as the issuer of the security reasonably believes that the accredited investor has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment. In addition, with certain exceptions, an offer or sale of a security by the issuer of that security is exempt from registration if the issuer has its principal office in this state and if, among other things, not more than 15 persons will hold all of the securities after the sale. Also, under current law, any transaction that is entered into pursuant to an offer made to not more than ten persons in this state during any period of 12 consecutive months is exempt from registration, if certain other requirements are satisfied.

This bill expands these exemptions from registration. Under this bill, an offer or sale of a security to an accredited investor is exempt from registration if the individual or person receiving the offer or making the purchase qualifies as an accredited investor under certain federal rules. These federal rules define “accredited investor” to include, among other things, certain financial entities, such as banking institutions, and individuals who have a net worth of greater than \$1,000,000 or who have had an income of greater than \$200,000 in the two most recent years. The bill also repeals the requirement that the issuer reasonably believe the accredited investor has a specified level of knowledge and experience in financial and business matters. In addition, under this bill, an offer or sale of a security by the issuer of that security generally is exempt from registration if the issuer has its principal office in this state and if, among other things, not more than 25 persons will hold all of the issuer’s securities after the sale. Also, under this bill, any transaction that is entered into pursuant to an offer made to not more than 25 persons in this state during any period of 12 consecutive months generally is exempt from registration, if the other requirements under current law are satisfied.

Currently, in order to transact business as a securities broker-dealer or securities agent in this state, a person must obtain a license from the division, unless the person is exempt from the licensing requirement. Current law exempts persons

SENATE BILL 333

who give certain group presentations relating to securities, persons who engage exclusively in transactions on account of or with certain financial and governmental entities, and certain persons who are exempt from state licensing requirements under federal law.

This bill creates an additional exemption from this licensing requirement. This bill exempts any securities agent who is acting exclusively on behalf of an issuer of securities (as opposed to acting on behalf of a securities broker-dealer) and who makes offers and sales of the issuer's securities in transactions that are exempt from registration under the rules of the division that specifically exempt transactions involving accredited investors or to persons who qualify as accredited investors under certain federal rules.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 71.80 (21) of the statutes is created to read:

2 71.80 **(21)** BUSINESS ENTITY CONVERSION. Notwithstanding any provision of ss.
3 179.76, 180.1161, 181.1161, and 183.1207, the conversion of a business entity to
4 another form of business entity under s. 179.76, 180.1161, 181.1161, or 183.1207
5 shall be treated for state tax purposes in the same manner as the conversion is
6 treated for federal tax purposes.

7 **SECTION 2.** 71.80 (22) of the statutes is created to read:

8 71.80 **(22)** BUSINESS ENTITY MERGER. Notwithstanding any provision of ss.
9 179.77, 180.1101, 180.1104, 181.1101, 181.1104, and 183.1201, the merger of a
10 business entity with one or more business entities under s. 179.77, 180.1101,
11 180.1104, 181.1101, 181.1104, or 183.1201 shall be treated for state tax purposes in
12 the same manner as the merger is treated for federal tax purposes.

13 **SECTION 3.** 73.03 (58) of the statutes is created to read:

14 73.03 **(58)** (a) Notwithstanding any provision of ss. 179.76, 180.1161, 181.1161,
15 and 183.1207, to treat, for state tax purposes, the conversion of a business entity to

SENATE BILL 333

1 another form of business entity under s. 179.76, 180.1161, 181.1161, or 183.1207 in
2 the same manner as the conversion is treated for federal tax purposes.

3 (b) Notwithstanding any provision of ss. 179.77, 180.1101, 180.1104, 181.1101,
4 181.1104, and 183.1201, to treat, for state tax purposes, the merger of a business
5 entity with one or more business entities under s. 179.77, 180.1101, 180.1104,
6 181.1101, 181.1104, or 183.1201 in the same manner as the merger is treated for
7 federal tax purposes.

8 **SECTION 4.** 77.21 (1e) of the statutes is amended to read:

9 77.21 (1e) "Mergers of corporations" means the merger or combination of 2 one
10 or more corporations, nonstock corporations, limited liability companies, or limited
11 partnerships, or any combination thereof, under a plan of merger or a plan of
12 consolidation ~~or the combination of 2 or more limited liability companies under a~~
13 ~~plan of merger permitted by the laws that govern the entities.~~

14 **SECTION 5.** 77.25 (6d) of the statutes is created to read:

15 77.25 (6d) Pursuant to partnerships registering as limited liability
16 partnerships under s. 178.40.

17 **SECTION 6.** 77.25 (6m) of the statutes is created to read:

18 77.25 (6m) Pursuant to the conversion of a business entity to another form of
19 business entity under s. 179.76, 180.1161, 181.1161, or 183.1207, if, after the
20 conversion, the ownership interests in the new entity are identical with the
21 ownership interests in the original entity immediately preceding the conversion.

22 **SECTION 7.** 77.61 (15) of the statutes is created to read:

23 77.61 (15) Notwithstanding any provision of ss. 179.76, 180.1161, 181.1161,
24 and 183.1207, a business entity that converts to another business entity under s.
25 179.76, 180.1161, 181.1161, or 183.1207 shall be subject to the provisions under this

SENATE BILL 333

1 subchapter applicable to liquidations, reorganizations, and business entity
2 formations.

3 **SECTION 8.** 178.43 of the statutes is renumbered 178.43 (1).

4 **SECTION 9.** 178.43 (2m) and (3m) of the statutes are created to read:

5 178.43 **(2m)** The registered agent of a registered limited liability partnership
6 or a foreign limited liability partnership may resign as registered agent by executing
7 and filing with the department a written statement that includes all of the following
8 information, as applicable:

9 (a) The name of the registered limited liability partnership or foreign
10 registered limited liability partnership for which the registered agent is acting.

11 (b) The name of the registered agent.

12 (c) If the registered agent is acting for a registered limited liability partnership,
13 the street address of the registered limited liability partnership.

14 (d) If the registered agent is acting for a foreign registered limited liability
15 partnership, the foreign registered limited liability partnership's current registered
16 office and the mailing address of the foreign registered limited liability partnership's
17 current principal office.

18 (e) A statement that the registered agent resigns.

19 (f) If the registered office is also discontinued, a statement to that effect.

20 **(3m)** After the filing of a statement under sub. (2), the department shall mail
21 a copy of the statement to the registered limited liability partnership or foreign
22 registered limited liability partnership at the address provided under sub. (2) (c) or
23 (d).

24 **SECTION 10.** 178.46 (1) of the statutes is renumbered 178.46 (1r).

25 **SECTION 11.** 178.46 (1g) of the statutes is created to read:

SENATE BILL 333

1 178.46 **(1g)** In this section:

2 (a) “Deliver” means deliver by hand, mail, commercial delivery service,
3 electronic transmission, or any other method of delivery used in conventional
4 commercial practice.

5 (b) “Electronic” means relating to technology having electrical, digital,
6 magnetic, wireless, optical, electromagnetic, or similar capabilities.

7 (c) “Electronic signature” means an electronic sound, symbol, or process,
8 attached to or logically associated with a writing and executed or adopted by a person
9 with intent to authenticate the writing.

10 (d) “Sign” means to execute or adopt a manual, facsimile, conformed, or
11 electronic signature or any symbol with intent to authenticate a writing.

12 **SECTION 12.** 178.46 (2) and (4) of the statutes are amended to read:

13 178.46 **(2)** The department shall file photocopies or other reproduced copies of
14 typewritten or printed documents if the copies satisfy ~~sub. (1)~~ sub. (1r) and are
15 originally executed to satisfy sub. (3).

16 **(4)** The department may waive any of the requirements of ~~subs. (1) to (3)~~ subs.
17 (1r) to (3) if it appears from the face of the document that the document’s failure to
18 satisfy the requirement is immaterial.

19 **SECTION 13.** 178.48 (1) (intro.) of the statutes is amended to read:

20 178.48 **(1)** (intro.) The Except as provided under sub. (4), the department shall
21 collect the following fees when the documents described under this subsection are
22 delivered to the department for filing:

23 **SECTION 14.** 178.48 (4) of the statutes is created to read:

24 178.48 **(4)** The department, by rule, may specify a larger fee for filing
25 documents described in sub. (1) in paper format.

SENATE BILL 333

1 **SECTION 15.** 178.51 (1) of the statutes is amended to read:

2 178.51 (1) Upon receipt of a document by the department for filing, the
3 department shall stamp or otherwise endorse the date and time of receipt on the
4 original document copy and, upon request, any additional document copy received.
5 The department shall return any additional document copy to the person delivering
6 it, as confirmation of the date and time of receipt.

7 **SECTION 16.** 179.03 (2) of the statutes is amended to read:

8 179.03 (2) The Except as otherwise provided in this subsection, the reservation
9 shall be made by filing with the department an application executed by the applicant
10 to reserve a specified name together with a fee of \$10, or such larger amount as the
11 department requires by rule, if the application is filed in paper format. The
12 reservation may be made by making a telephone application to reserve a specified
13 name. The fee for a telephone application to reserve a specified name for 60 days is
14 \$20. If the department finds that the name is available for use by a domestic limited
15 partnership or foreign limited partnership, the department shall reserve the name
16 for the exclusive use of the applicant for a period of 60 days. ~~The department shall~~
17 ~~cancel the telephone application to reserve a specified name if the department does~~
18 ~~not receive the proper fee within 15 business days after the application. Once having~~
19 ~~reserved a name, the same applicant may not again reserve the same name until~~
20 ~~more than 60 days after the expiration of the last 60-day period for which that~~
21 ~~applicant reserved that name. The Except as otherwise provided in this subsection,~~
22 the right to the exclusive use of a reserved name may be transferred to any other
23 person by filing with the department, together with a fee of \$10, a notice of the
24 transfer executed by the applicant for whom the name was reserved and specifying

SENATE BILL 333

1 the name and address of the transferee. The department may, by rule, specify a
2 larger fee for filing a notice of transfer in paper format.

3 **SECTION 17.** 179.04 (1) (b) of the statutes is amended to read:

4 179.04 (1) (b) An agent for service of process on the limited partnership, which
5 agent must be an individual resident of this state, a domestic corporation, nonstock
6 corporation, limited partnership, registered limited liability partnership, or limited
7 liability company, or a foreign corporation, nonstock corporation, limited
8 partnership, registered limited liability partnership, or limited liability company
9 authorized to do business in this state, whose business office is identical with the
10 registered office.

11 **SECTION 18.** 179.045 of the statutes is created to read:

12 **179.045 Resignation of agent for service of process.** (1) An agent for
13 service of process may resign by executing and filing with the department a
14 statement, in duplicate, containing all of the following information, as applicable:

15 (a) The name of the domestic or foreign limited partnership for which the agent
16 is acting.

17 (b) The name and current street address of the agent.

18 (c) If the agent is acting for a domestic limited partnership, the address of the
19 domestic limited partnership's record office.

20 (d) If the agent is acting for a foreign limited partnership, the address of the
21 foreign limited partnership's office in its state of organization.

22 (e) A statement that the agent resigns.

23 (2) The department shall note on one of the duplicates filed under sub. (1) the
24 date of filing and shall mail that duplicate to the limited partnership at the address
25 provided under sub. (1) (c) or (d).

SENATE BILL 333

1 **(3)** A resignation under this section is effective on the earlier of the following:

2 (a) Thirty days after the date on which the statement is filed under sub. (1).

3 (b) The date on which the appointment of a successor agent is effective.

4 **SECTION 19.** 179.11 (1) (intro.) of the statutes is amended to read:

5 179.11 **(1)** (intro.) To form a limited partnership, a certificate of limited
6 partnership must be executed and filed with the department. The certificate shall
7 be filed together with a fee of \$70 and, except that the department, by rule, may
8 specify a larger fee for certificates that are filed in paper format. Each certificate
9 shall contain all of the following information:

10 **SECTION 20.** 179.12 (1) (intro.) of the statutes is amended to read:

11 179.12 **(1)** (intro.) ~~A~~ Except as otherwise provided in this subsection, a
12 certificate of limited partnership is amended by filing a certificate of amendment
13 with the department, together with a fee of \$25. The department, by rule, may
14 specify a larger fee for certificates that are filed in paper format. No fee may be
15 collected for filing a certificate of amendment to reflect only a change in the name of
16 a registered agent. The certificate of amendment shall specify all of the following:

17 **SECTION 21.** 179.13 (intro.) of the statutes is amended to read:

18 **179.13 Cancellation of certificate.** (intro.) A certificate of limited
19 partnership shall be canceled upon the dissolution and the commencement of
20 winding up of the limited partnership or at any other time that there are no limited
21 partners. A certificate of cancellation shall be filed together with a fee of \$10 with
22 the department and, except that the department, by rule, may specify a larger fee for
23 certificates that are filed in paper format. Each certificate shall specify all of the
24 following:

25 **SECTION 22.** 179.14 (1) of the statutes is renumbered 179.14 (1r).

SENATE BILL 333

1 **SECTION 23.** 179.14 (1g) of the statutes is created to read:

2 179.14 (**1g**) In this section:

3 (a) “Electronic” has the meaning given in s. 179.16 (1g) (b).

4 (b) “Electronic signature” means an electronic sound, symbol, or process,
5 attached to or logically associated with a writing and executed or adopted by a person
6 with intent to authenticate the writing.

7 (c) “Sign” means to execute or adopt a manual, facsimile, conformed, or
8 electronic signature or any symbol with intent to authenticate a writing.

9 **SECTION 24.** 179.16 (1) of the statutes is renumbered 179.16 (1r).

10 **SECTION 25.** 179.16 (1g) of the statutes is created to read:

11 179.16 (**1g**) In this section:

12 (a) “Deliver” means deliver by hand, mail, commercial delivery service,
13 electronic transmission, or any other method of delivery used in conventional
14 commercial practice.

15 (b) “Electronic” means relating to technology having electrical, digital,
16 magnetic, wireless, optical, electromagnetic, or similar capabilities.

17 **SECTION 26.** 179.185 (1) of the statutes is amended to read:

18 179.185 (**1**) A limited partnership may integrate into a single instrument the
19 operative provisions of its certificate of limited partnership, as shown by the original
20 certificate and amendments filed under this subchapter, and it may at the same time
21 also further amend its certificate of limited partnership by adopting a restated
22 certificate of limited partnership. The restated certificate shall be filed together with
23 a fee of \$25 with the department, except that the department, by rule, may specify
24 a larger fee for certificates that are filed in paper format.

25 **SECTION 27.** 179.24 (1) (b) of the statutes is amended to read:

SENATE BILL 333

1 179.24 (1) (b) Withdraws from future equity participation in the enterprise by
2 executing and filing with the department, together with a \$15 filing fee, a certificate
3 declaring withdrawal under this paragraph, except that the department, by rule,
4 may specify a larger fee for certificates that are filed in paper format.

5 **SECTION 28.** Subchapter VIII (title) of chapter 179 [precedes 179.70] of the
6 statutes is amended to read:

CHAPTER 179**SUBCHAPTER VIII****DISSOLUTION; CONVERSION; MERGER**

10 **SECTION 29.** 179.70 of the statutes is created to read:

11 **179.70 Definitions.** In this subchapter:

12 **(1)** “Business entity” means a domestic business entity and a foreign business
13 entity.

14 **(2)** “Domestic business entity” means a corporation, as defined in s. 180.0103
15 (5), a limited liability company, as defined in s. 183.0102 (10), a limited partnership,
16 or a corporation, as defined in s. 181.0103 (5).

17 **(3)** “Foreign business entity” means a foreign limited liability company, as
18 defined in s. 183.0102 (8), a foreign limited partnership, a foreign corporation, as
19 defined in s. 180.0103 (9), or a foreign corporation, as defined in s. 181.0103 (13).

20 **SECTION 30.** 179.76 of the statutes is created to read:

21 **179.76 Conversion.** **(1)** A domestic limited partnership may convert to
22 another form of business entity if it satisfies the requirements under this section and
23 if the conversion is permitted under the applicable law of the jurisdiction that
24 governs the organization of the business entity into which the domestic limited
25 partnership is converting.

SENATE BILL 333

1 **(2)** (a) A business entity other than a domestic limited partnership may convert
2 to a domestic limited partnership if it satisfies the requirements under this section
3 and if the conversion is permitted under the applicable law of the jurisdiction that
4 governs the business entity.

5 (b) A business entity converting into a domestic limited partnership shall
6 comply with the procedures that govern the submission and approval of a plan of
7 conversion of the jurisdiction that governs the business entity.

8 **(3)** A plan of conversion shall set forth all of the following:

9 (a) The name, form of business entity, and the identity of the jurisdiction
10 governing the business entity that is to be converted.

11 (b) The name, form of business entity, and the identity of the jurisdiction that
12 will govern the business entity after conversion.

13 (c) The terms and conditions of the conversion.

14 (d) The manner and basis of converting the shares or other ownership interests
15 of the business entity that is to be converted into the shares or other ownership
16 interests of the new form of business entity.

17 (e) The effective date and time of the conversion, if the conversion is to be
18 effective other than at the time of filing the certificate of conversion, as provided
19 under s. 179.11 (2) or otherwise.

20 (f) A copy of the articles of incorporation, articles of organization, certificate of
21 limited partnership, or other similar governing document of the business entity after
22 conversion.

23 (g) Other provisions relating to the conversion, as determined by the business
24 entity.

25 **(4)** When a conversion is effective, all of the following apply:

SENATE BILL 333

1 (a) 1. Except with respect to taxation laws of each jurisdiction that are
2 applicable upon the conversion of the business entity, the business entity that is
3 converted is no longer subject to the applicable law of the jurisdiction that governed
4 the organization of the prior form of business entity and is subject to the applicable
5 law of the jurisdiction that governs the new form of business entity.

6 2. If the conversion is from or to a business entity under the laws applicable to
7 which one or more of the owners thereof is liable for the debts and obligations of such
8 business entity, such owner or owners shall be so liable only for debts and obligations
9 accrued during the period or periods in which such laws are applicable. This
10 subdivision does not affect liability under any taxation laws.

11 (b) The business entity continues to have all liabilities of the business entity
12 that was converted.

13 (c) The business entity continues to be vested with title to all property owned
14 by the business entity that was converted without reversion or impairment, provided
15 that, if the converting business entity has an interest in real estate in Wisconsin on
16 the date of the conversion, the converting business entity shall transfer that interest
17 to the business entity surviving the conversion and shall execute any real estate
18 transfer return required under s. 77.22. The business entity surviving the
19 conversion shall promptly record the instrument of conveyance under s. 59.43 in the
20 office of the register of deeds for each county in which the real estate is located.

21 (d) The articles of incorporation, articles of organization, certificate of limited
22 partnership, or other similar governing document, whichever is applicable, of the
23 business entity are as provided in the plan of conversion.

24 (e) All other provisions of the plan of conversion apply.

SENATE BILL 333

1 **(5)** Except as provided under sub. (7), after a plan of conversion is submitted
2 and approved, the business entity that is to be converted shall deliver to the
3 department for filing a certificate of conversion that includes all of the following
4 together with a fee of \$150:

5 (a) The plan of conversion.

6 (b) A statement that the plan of conversion was approved in accordance with
7 the applicable law of the jurisdiction that governs the organization of the business
8 entity.

9 (c) The registered agent and registered office, record agent and record office,
10 or other similar agent and office of the business entity before and after conversion.

11 **(6)** Any civil, criminal, administrative, or investigatory proceeding that is
12 pending by or against a business entity that is converted may be continued by or
13 against the business entity after the effective date of conversion.

14 **(7)** The department, by rule, may specify a larger fee for filing a certificate of
15 conversion under sub. (5) in paper format.

16 **SECTION 31.** 179.77 of the statutes is created to read:

17 **179.77 Merger. (1)** One or more domestic limited partnerships may merge
18 with or into one or more other business entities if the merger is permitted under the
19 applicable laws of the jurisdiction that governs each other business entity that is a
20 party to the merger and each business entity approves the plan of merger in the
21 manner required by the laws applicable to the business entity.

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

23 (a) The name, form of business entity, and identity of the jurisdiction governing
24 each business entity that is a party to the merger and the name, form of business

SENATE BILL 333**SECTION 31**

1 entity, and identity of the jurisdiction of the surviving business entity with, or into,
2 which each other business entity proposes to merge.

3 (b) The manner and basis of converting the interests in each business entity
4 that is a party to the merger into shares, interests obligations, or other securities of
5 the surviving business entity or any other business entity or into cash or other
6 property in whole or in part.

7 (3) The plan of merger may set forth any of the following:

8 (a) Amendments to the certificate of limited partnership or other similar
9 governing document of the surviving business entity.

10 (b) Other provisions relating to the merger.

11 (4) After a merger is authorized, and at any time before the articles of merger
12 are filed with the department, the planned merger may be abandoned, subject to any
13 contractual rights, without further action on the part of the shareholders or other
14 owners, in accordance with the procedure set forth in the plan of merger or, if none
15 is set forth, in the manner determined by the governing body of any business entity
16 that is a party to the merger.

17 (5) After a plan of merger is approved by each business entity that is a party
18 to the merger in the manner required by the laws applicable to each business entity,
19 the surviving business entity shall deliver to the department the fee specified under
20 sub. (5m) and articles of merger that include all of the following:

21 (a) The plan of merger.

22 (b) A statement that the plan was approved by each business entity that is a
23 party to the merger in the manner required by the laws applicable to each business
24 entity.

SENATE BILL 333

1 (c) The effective date and time of the merger, if the merger is to take effect at
2 a time other than the close of business on the date of filing the articles of merger
3 under s. 179.11 (2).

4 (d) Other provisions relating to the merger, as determined by the surviving
5 business entity.

6 **(5m)** The fee for filing articles of merger is \$150, except that the department,
7 by rule, may specify a larger fee for filing articles in paper format.

8 **(6)** A merger has the following effects:

9 (a) Every other business entity that is a party to the merger merges into the
10 surviving business entity, and the separate existence of every business entity, except
11 the surviving business entity, ceases.

12 (b) If the merger is with or into a business entity under the laws applicable to
13 which one or more of the owners of the business entity is liable for the debts and
14 obligations of the business entity, the owner or owners are so liable only for the debts
15 and obligations accrued during the period or periods in which such laws are
16 applicable.

17 (c) The title to all property owned by each business entity that is a party to the
18 merger is vested in the surviving business entity without reversion or impairment,
19 provided that, if a merging business entity has an interest in real estate in Wisconsin
20 on the date of the merger, the merging business entity shall transfer that interest to
21 the business entity surviving the merger and shall execute any real estate transfer
22 return required under s. 77.22. The business entity surviving the merger shall
23 promptly record the instrument of conveyance under s. 59.43 in the office of the
24 register of deeds for each county in which the real estate is located.

SENATE BILL 333**SECTION 31**

1 (d) The surviving business entity has all liabilities of each business entity that
2 is party to the merger.

3 (e) A civil, criminal, administrative, or investigatory proceeding pending by or
4 against any business entity that is a party to the merger may be continued as if the
5 merger did not occur, or the surviving business entity may be substituted in the
6 proceeding for the business entity whose existence ceased.

7 (f) The articles of incorporation, articles of organization, certificate of limited
8 partnership, or other similar governing document, whichever is applicable, of the
9 surviving business entity shall be amended to the extent provided in the plan of
10 merger.

11 (g) The shares or other interests of each business entity that is party to the
12 merger that are to be converted into shares, interests, obligations, or other securities
13 of the surviving business entity or any other business entity or into cash or other
14 property are converted, and the former holders of the shares or interests are entitled
15 only to the rights provided in the articles of merger or to their rights under the laws
16 applicable to each business entity that is a party to the merger.

17 (h) If the surviving business entity is a foreign business entity, the department
18 is the agent of the surviving foreign business entity for service of process in a
19 proceeding to enforce any obligation of any business entity that is a party to the
20 merger or the rights of the dissenting members or other owners of each business
21 entity that is a party to the merger.

22 (i) When a merger takes effect, any surviving foreign business entity of the
23 merger shall promptly pay to the dissenting shareholders of each domestic
24 corporation or dissenting owners of each other domestic business entity that is a

SENATE BILL 333

1 party to the merger the amount, if any, to which they are entitled under ss. 180.1301
2 to 180.1331 or under any law applicable to the other domestic business entity.

3 **SECTION 32.** 179.82 (intro.) of the statutes is amended to read:

4 **179.82 Registration.** (intro.) Before transacting business in this state, a
5 foreign limited partnership shall register with the department. A foreign limited
6 partnership shall submit in duplicate, together with a filing fee of \$75, an application
7 for registration as a foreign limited partnership, signed and sworn to by a general
8 partner ~~and setting, except that the department, by rule, may specify a larger fee for~~
9 applications that are filed in paper format. Each application shall set forth all of the
10 following:

11 **SECTION 33.** 179.82 (4) of the statutes is amended to read:

12 179.82 (4) The name and address of an agent for service of process on the
13 foreign limited partnership, who must be an individual resident of this state, a
14 domestic corporation, nonstock corporation, limited partnership, registered limited
15 liability partnership, or limited liability company, or a foreign corporation, nonstock
16 corporation, limited partnership, registered limited liability partnership, or limited
17 liability company ~~having a place of business and authorized to do business in this~~
18 state, whose business office is identical with the registered office.

19 **SECTION 34.** 179.86 (1) of the statutes is amended to read:

20 179.86 (1) A foreign limited partnership may cancel its registration by filing
21 with the department, together with a filing fee of \$15, a certificate of cancellation
22 signed and sworn to by a general partner, except that the department, by rule, may
23 specify a larger fee for certificates that are filed in paper format.

24 **SECTION 35.** 179.88 of the statutes, as affected by 2001 Wisconsin Act 16, is
25 amended to read:

SENATE BILL 333

1 **179.88 Substituted service.** Service of process on the department under this
2 subchapter shall be made by serving of duplicate copies of the process on the
3 department, together with the fee established under s. 182.01 (4) (c). The
4 department shall mail notice of the service and a copy of the process within 10 days
5 addressed to the foreign limited partnership at its office in the state of its
6 organization or its principal office, as appearing on the records of the department
7 from information supplied under s. 179.82 (6). The time within which the foreign
8 limited partnership may answer or move to dismiss under s. 802.06 (2) does not start
9 to run until 10 days after the date of the mailing. The department shall keep a record
10 of service of process under this section showing the day and hour of service and the
11 date of mailing.

12 **SECTION 36.** 180.0103 (7g) of the statutes is created to read:

13 180.0103 (7g) “Electronic” means relating to technology having electrical,
14 digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

15 **SECTION 37.** 180.0103 (7k) of the statutes is created to read:

16 180.0103 (7k) “Electronic signature” means an electronic sound, symbol, or
17 process, attached to or logically associated with a writing and executed or adopted
18 by a person with intent to authenticate the writing.

19 **SECTION 38.** 180.0103 (16) of the statutes is amended to read:

20 180.0103 (16) “Signed” or “signature” includes ~~any~~ the execution or adoption
21 of a manual, facsimile, conformed, or electronic signature, or any symbol executed
22 ~~or adopted by a party with present intention to authenticate a writing or electronic~~
23 ~~transmission, with intent to authenticate a writing.~~

24 **SECTION 39.** 180.0121 (1) (a) 4. of the statutes is created to read:

SENATE BILL 333

1 180.0121 (1) (a) 4. An application for a certificate of conversion under s.
2 180.1161 (5).

3 **SECTION 40.** 180.0122 (1) (intro.) of the statutes is amended to read:

4 180.0122 (1) (intro.) The ~~Except as provided under sub. (5), the~~ department
5 shall collect the following fees when the documents described in this subsection are
6 delivered for filing or, under pars. (e) and (f), the telephone applications are made:

7 **SECTION 41.** 180.0122 (1) (j) of the statutes is amended to read:

8 180.0122 (1) (j) Subject to sub. (3) (c), domestic corporation's or foreign
9 corporation's statement of change of ~~registered agent or registered office or both~~, \$10.

10 **SECTION 42.** 180.0122 (1) (o) of the statutes, as affected by 2001 Wisconsin Act
11 16, is repealed and recreated to read:

12 180.0122 (1) (o) Articles of merger, \$150.

13 **SECTION 43.** 180.0122 (1) (x) of the statutes, as affected by 2001 Wisconsin Act
14 16, is amended to read:

15 180.0122 (1) (x) ~~Annual report of a domestic corporation that is submitted to~~
16 ~~the department by authorized electronic means, \$25; annual report of a domestic~~
17 ~~corporation that is submitted to the department on paper, \$40.~~

18 **SECTION 44.** 180.0122 (1) (y) of the statutes, as affected by 2001 Wisconsin Act
19 16, is amended to read:

20 180.0122 (1) (y) ~~Annual report of a foreign corporation that is submitted to the~~
21 ~~department by authorized electronic means, \$65, and annual report submitted to the~~
22 ~~department on paper, \$80, and in case the annual report shows that the foreign~~
23 corporation employs in this state capital in excess of the amount of capital on which
24 a fee has previously been paid, computed as provided in s. 180.1503, an additional

SENATE BILL 333

1 fee which, with previous payments made on account of capital employed in this state,
2 will amount to \$2 for each \$1,000 or fraction thereof of the excess.

3 **SECTION 45.** 180.0122 (1) (yr) of the statutes is created to read:

4 180.0122 (1) (yr) A certificate of conversion, \$150.

5 **SECTION 46.** 180.0122 (5) of the statutes is created to read:

6 180.0122 (5) The department, by rule, may specify a larger fee for filing
7 documents described in sub. (1) in paper format.

8 **SECTION 47.** 180.0125 (1) of the statutes is amended to read:

9 180.0125 (1) Upon receipt of a document by the department for filing, the
10 department shall stamp or otherwise endorse the date and time of receipt on the
11 original, the document copy and, upon request, any additional document copy
12 received. The department shall return any additional document copy to the person
13 delivering it, as confirmation of the date and time of receipt.

14 **SECTION 48.** 180.0402 (1) of the statutes is amended to read:

15 180.0402 (1) A person may reserve the exclusive use of a corporate name,
16 including a fictitious name for a foreign corporation whose corporate name is not
17 available, by delivering an application to the department for filing or by making a
18 telephone application. The application shall include the name and address of the
19 applicant and the name proposed to be reserved. If the department finds that the
20 corporate name applied for under this subsection is available, the department shall
21 reserve the name for the applicant's exclusive use for a 120-day period, which may
22 be renewed by the applicant or a transferee under sub. (2) from time to time. ~~If an~~
23 ~~application to reserve a name or to renew a reserved name is made by telephone, the~~
24 ~~department shall cancel the reservation or renewal if the department does not~~

SENATE BILL 333

1 receive the fee required under s. 180.0122 (1) (e) or (f) within 15 business days after
2 the application is made.

3 **SECTION 49.** 180.0501 (2) and (3) of the statutes are amended to read:

4 180.0501 (2) A domestic corporation, a nonstock corporation, a limited
5 partnership, a registered limited liability partnership, or a limited liability company
6 incorporated, registered, or organized in this state, whose business office is identical
7 with the registered office.

8 (3) A foreign corporation, nonstock corporation, limited partnership,
9 registered limited liability partnership, or limited liability company authorized to
10 transact business in this state whose business office is identical with the registered
11 office.

12 **SECTION 50.** Subchapter XI (title) of chapter 180 [precedes 180.1100] of the
13 statutes is amended to read:

14 **CHAPTER 180**

15 **SUBCHAPTER XI**

16 **MERGER AND, SHARE**

17 **EXCHANGE, AND CONVERSION**

18 **SECTION 51.** 180.1100 of the statutes is created to read:

19 **180.1100 Definitions.** In this subchapter:

20 (1) "Business entity" means a domestic business entity and a foreign business
21 entity.

22 (2) "Domestic business entity" means a corporation, a limited liability
23 company, as defined in s. 183.0102 (10), a limited partnership, as defined in s. 179.01
24 (7), or a corporation, as defined in s. 181.0103 (5).

SENATE BILL 333

1 **(3)** “Foreign business entity” means a foreign limited liability company, as
2 defined in s. 183.0102 (8), a foreign limited partnership, as defined in s. 179.01 (4),
3 a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as
4 defined in s. 181.0103 (13).

5 **SECTION 52.** 180.1101 (1) of the statutes is amended to read:

6 180.1101 **(1)** One or more corporations may merge ~~into another corporation~~
7 with or into one or more other business entities if the board of directors of each
8 corporation, by resolution adopted by each board, approves a plan of merger and, if
9 required by s. 180.1103, its shareholders also approve the plan of merger, and if the
10 merger is permitted under the applicable law of the jurisdiction that governs each
11 other business entity that is a party to the merger and each such business entity
12 approves the plan of merger in the manner required by the laws applicable to the
13 business entity.

14 **SECTION 53.** 180.1101 (2) (a) of the statutes is amended to read:

15 180.1101 **(2)** (a) The name of ~~each corporation, form of business entity, and~~
16 identity of the jurisdiction governing each business entity planning to merge and the
17 name, form of business entity, and identity of the jurisdiction of the surviving
18 ~~corporation business entity~~ business entity into which each other ~~corporation~~ business entity plans
19 to merge.

20 **SECTION 54.** 180.1101 (2) (c) of the statutes is amended to read:

21 180.1101 **(2)** (c) The manner and basis of converting the shares ~~of each~~
22 ~~corporation into shares~~ or other interests in each business entity that is a party to
23 the merger into shares, interests, obligations, or other securities of the surviving
24 ~~corporation business entity~~ business entity or any other ~~corporation~~ business entity or into cash or
25 other property in whole or part.

SENATE BILL 333

1 **SECTION 55.** 180.1101 (3) (a) of the statutes is amended to read:

2 180.1101 (3) (a) Amendments to the articles of incorporation or other similar
3 governing document of the surviving ~~corporation~~ business entity.

4 **SECTION 56.** 180.1102 (1) of the statutes is amended to read:

5 180.1102 (1) A corporation may acquire all of the outstanding shares of one or
6 more classes or series of another ~~corporation~~ business entity if the board of directors
7 of each corporation, by resolution adopted by each board, approves a plan of share
8 exchange and, if required by s. 180.1103, its shareholders also approve the plan of
9 share exchange, and if the share exchange is permitted under the applicable law of
10 the jurisdiction that governs the other business entity and the other business entity
11 approves the plan of share exchange in the manner required by the laws of the
12 jurisdiction that governs the other business entity.

13 **SECTION 57.** 180.1102 (2) (a) of the statutes is amended to read:

14 180.1102 (2) (a) The name ~~of the corporation,~~ form of business entity, and
15 identity of the jurisdiction governing the business entity whose shares will be
16 acquired and the name of the acquiring ~~corporation~~ business entity.

17 **SECTION 58.** 180.1102 (2) (c) of the statutes is amended to read:

18 180.1102 (2) (c) The manner and basis of exchanging the shares or other
19 ownership interests to be acquired for shares, obligations or other securities of the
20 acquiring or any other ~~corporation~~ business or for cash or other property in whole or
21 part.

22 **SECTION 59.** 180.1103 (6) of the statutes is amended to read:

23 180.1103 (6) **MERGER OR SHARE EXCHANGE ABANDONED.** After a merger or share
24 exchange is authorized, and at any time before articles of merger or share exchange
25 are filed, the planned merger or share exchange may be abandoned, subject to any

SENATE BILL 333

1 contractual rights, without further ~~shareholder~~ action on the part of shareholders or
2 other owners, in accordance with the procedure set forth in the plan of merger or
3 share exchange or, if none is set forth, in the manner determined by the board of
4 directors or other similar governing body of any other business entity that is a party
5 to the merger.

6 **SECTION 60.** 180.1104 (title) of the statutes is amended to read:

7 **180.1104** (title) **Merger of subsidiary or parent.**

8 **SECTION 61.** 180.1104 (1) of the statutes is amended to read:

9 180.1104 (1) A parent corporation owning at least 90% of the outstanding
10 shares of each class of a subsidiary corporation or at least 90% of the outstanding
11 interests of each class of any other subsidiary business entity may merge the
12 subsidiary into itself the parent or the parent into the subsidiary without approval
13 of the shareholders of the parent or the shareholders or other owners of the
14 subsidiary.

15 **SECTION 62.** 180.1104 (2) (b) of the statutes is amended to read:

16 180.1104 (2) (b) The manner and basis of converting the shares or other
17 interests of the subsidiary or parent into shares, interests, obligations, or other
18 securities of the parent surviving business entity or any other ~~corporation~~ business
19 entity or into cash or other property in whole or part.

20 **SECTION 63.** 180.1104 (3) of the statutes is amended to read:

21 180.1104 (3) The parent shall mail a copy or summary of the plan of merger to
22 each shareholder or other owner of the subsidiary merging business entity who does
23 not waive the mailing requirement in writing.

24 **SECTION 64.** 180.1104 (4) of the statutes is amended to read:

SENATE BILL 333

1 180.1104 (4) The parent may not deliver articles of merger to the department
2 for filing until at least ~~30~~ 10 days after the date on which it mailed a copy of the plan
3 of merger to each shareholder or other owner of the ~~subsidiary~~ merging business
4 entity who did not waive the mailing requirement.

5 **SECTION 65.** 180.1104 (5) of the statutes is amended to read:

6 180.1104 (5) Articles of merger under this section may not contain
7 amendments to the articles of incorporation of the ~~parent corporation~~ surviving
8 business entity, except for amendments enumerated in s. 180.1002 or otherwise not
9 requiring the approval of the shareholders or other owners of the entity.

10 **SECTION 66.** 180.1105 (1) (intro.) of the statutes is amended to read:

11 180.1105 (1) (intro.) Except as provided in s. 180.1104 (4), after a plan of merger
12 or share exchange is approved by the shareholders of the corporation, or adopted by
13 the board of directors if shareholder approval is not required, and by each other
14 business entity that is a party to the merger in the manner required by the laws
15 applicable to the business entity, the surviving or acquiring ~~corporation~~ business
16 entity shall deliver to the department for filing articles of merger or share exchange
17 setting forth all of the following:

18 **SECTION 67.** 180.1105 (1) (b) of the statutes is amended to read:

19 180.1105 (1) (b) A statement that the plan was approved by each domestic
20 corporation that is a party to the merger in accordance with s. 180.1103 or 180.1104,
21 whichever is applicable, and by each other business entity that is a party to the
22 merger in the manner required by the laws applicable to the business entity.

23 **SECTION 68.** 180.1105 (1) (c) of the statutes is created to read:

SENATE BILL 333

1 180.1105 (1) (c) The effective date and time of the merger or share exchange,
2 if the merger or share exchange is to take effect at a time other than the close of
3 business on the date of filing the articles of merger, as provided under s. 180.0123.

4 **SECTION 69.** 180.1105 (1) (d) of the statutes is created to read:

5 180.1105 (1) (d) Other provisions relating to the merger, as determined by the
6 surviving business entity.

7 **SECTION 70.** 180.1106 (1) (a) of the statutes is amended to read:

8 180.1106 (1) (a) Every other ~~corporation~~ business entity that is party to the
9 merger merges into the surviving ~~corporation~~ business entity, and the separate
10 existence of every ~~corporation~~ business entity that is a party to the merger, except
11 the surviving ~~corporation~~ business entity, ceases.

12 **SECTION 71.** 180.1106 (1) (am) of the statutes is created to read:

13 180.1106 (1) (am) If the merger is with or into a business entity under the laws
14 applicable to which one or more of the owners of the business entity is liable for the
15 debts and obligations of the business entity, the owner or owners are so liable only
16 for the debts and obligations accrued during the period or periods in which such laws
17 are applicable. This paragraph does not affect liability under any taxation laws.

18 **SECTION 72.** 180.1106 (1) (b) of the statutes is amended to read:

19 180.1106 (1) (b) The title to all property owned by each ~~corporation~~ business
20 entity that is party to the merger is vested in the surviving ~~corporation~~ business
21 entity without reversion or impairment, provided that, if a merging business entity
22 has an interest in real estate in Wisconsin on the date of the merger, the merging
23 business entity shall transfer that interest to the business entity surviving the
24 merger and shall execute any real estate transfer return required under s. 77.22.
25 The business entity surviving the merger shall promptly record the instrument of

SENATE BILL 333

1 conveyance under s. 59.43 in the office of the register of deeds for each county in
2 which the real estate is located.

3 **SECTION 73.** 180.1106 (1) (c) of the statutes is amended to read:

4 180.1106 (1) (c) The surviving ~~corporation~~ business entity has all liabilities of
5 each ~~corporation~~ business entity that is party to the merger.

6 **SECTION 74.** 180.1106 (1) (d) of the statutes is amended to read:

7 180.1106 (1) (d) A civil, criminal, administrative, or investigatory proceeding
8 pending by or against any ~~corporation~~ business entity that is a party to the merger
9 may be continued as if the merger did not occur, or the surviving ~~corporation~~ business
10 entity may be substituted in the proceeding for the ~~corporation~~ business entity whose
11 existence ceased.

12 **SECTION 75.** 180.1106 (1) (e) of the statutes is repealed and recreated to read:

13 180.1106 (1) (e) The articles of incorporation, articles of organization,
14 certificate of limited partnership, or other similar governing document, whichever
15 is applicable, of the surviving business entity shall be amended to the extent
16 provided in the plan of merger.

17 **SECTION 76.** 180.1106 (1) (f) of the statutes is amended to read:

18 180.1106 (1) (f) The shares or other interests of each ~~corporation~~ business
19 entity that is party to the merger that are to be converted into shares, interests,
20 obligations, or other securities of the surviving ~~corporation~~ business entity or any
21 other ~~corporation~~ business entity or into cash or other property are converted, and
22 the former holders of the shares or interests are entitled only to the rights provided
23 in the articles of merger or to their rights under ss. 180.1301 to 180.1331 or otherwise
24 under the laws applicable to each business entity that is party to the merger.

25 **SECTION 77.** 180.1106 (3) of the statutes is created to read:

SENATE BILL 333

1 180.1106 **(3)** (a) When a merger or share exchange under this section takes
2 effect, the department is the agent of any surviving foreign business entity of a
3 merger or any acquiring foreign business entity in a share exchange, for service of
4 process in a proceeding to enforce any obligation or the rights of dissenting
5 shareholders or other owners of each domestic business entity that is a party to the
6 merger or share exchange.

7 (b) When a merger or share exchange under this section takes effect, any
8 surviving foreign business entity of a merger or any acquiring foreign business entity
9 in a share exchange shall promptly pay to the dissenting shareholders of each
10 domestic corporation or dissenting owners of each other domestic business entity
11 that is a party to the merger or share exchange the amount, if any, to which they are
12 entitled under ss. 180.1301 to 180.1331 or under any law applicable to such other
13 domestic business entity.

14 **SECTION 78.** 180.1107 of the statutes is repealed.

15 **SECTION 79.** 180.1150 (3) (e) of the statutes is amended to read:

16 180.1150 **(3)** (e) Shares acquired under s. 180.1101, 180.1102, or 180.1104 ~~or~~
17 ~~180.1107~~ if the resident domestic corporation is a party to the merger or share
18 exchange.

19 **SECTION 80.** 180.1161 of the statutes is created to read:

20 **180.1161 Conversion. (1)** (a) A domestic corporation may convert to another
21 form of business entity if it satisfies the requirements under this section and if the
22 conversion is permitted under the applicable law of the jurisdiction that governs the
23 organization of the business entity into which the domestic corporation is converting.

24 (b) In addition to satisfying any applicable legal requirements of the
25 jurisdiction that governs the organization of the business entity into which the

SENATE BILL 333

1 domestic corporation is converting and that relate to the submission and approval
2 of a plan of conversion, the domestic corporation shall comply with the procedures
3 that govern a plan of merger under s. 180.1103 for the submission and approval of
4 a plan of conversion.

5 (2) (a) A business entity other than a domestic corporation may convert to a
6 domestic corporation if it satisfies the requirements under this section and if the
7 conversion is permitted under the applicable law of the jurisdiction that governs the
8 business entity.

9 (b) A business entity converting into a domestic corporation shall comply with
10 the procedures that govern the submission and approval of a plan of conversion of
11 the jurisdiction that governs the business entity.

12 (3) A plan of conversion shall set forth all of the following:

13 (a) The name, form of business entity, and the identity of the jurisdiction
14 governing the business entity that is to be converted.

15 (b) The name, form of business entity, and the identity of the jurisdiction that
16 will govern the business entity after conversion.

17 (c) The terms and conditions of the conversion.

18 (d) The manner and basis of converting the shares or other ownership interests
19 of the business entity that is to be converted into the shares or other ownership
20 interests of the new form of business entity.

21 (e) The effective date and time of the conversion, if the conversion is to be
22 effective other than at the close of business on the date of filing the certificate of
23 conversion, as provided under s. 180.0123.

SENATE BILL 333

1 (f) A copy of the articles of incorporation, articles of organization, certificate of
2 limited partnership, or other similar governing document of the business entity after
3 conversion.

4 (g) Other provisions relating to the conversion, as determined by the business
5 entity.

6 **(4)** When a conversion is effective, all of the following shall occur:

7 (a) 1. Except with respect to taxation laws of each jurisdiction that are
8 applicable upon the conversion of the business entity, the business entity that was
9 converted is no longer subject to the applicable law of the jurisdiction that governed
10 the organization of the prior form of business entity and is subject to the applicable
11 law of the jurisdiction that governs the new form of business entity.

12 2. If the conversion is from or to a business entity under the laws applicable to
13 which one or more of the owners thereof is liable for the debts and obligations of such
14 business entity, such owner or owners shall be so liable only for debts and obligations
15 accrued during the period or periods in which such laws are applicable. This
16 subdivision does not affect liability under any taxation laws.

17 (b) The business entity continues to have all liabilities of the business entity
18 that was converted.

19 (c) The business entity continues to be vested with title to all property owned
20 by the business entity that was converted without reversion or impairment, provided
21 that, if the converting business entity has an interest in real estate in Wisconsin on
22 the date of the conversion, the converting business entity shall transfer that interest
23 to the business entity surviving the conversion and shall execute any real estate
24 transfer return required under s. 77.22. The business entity surviving the

SENATE BILL 333

1 conversion shall promptly record the instrument of conveyance under s. 59.43 in the
2 office of the register of deeds for each county in which the real estate is located.

3 (d) The articles of incorporation, articles of organization, certificate of limited
4 partnership, or other similar governing document, whichever is applicable, of the
5 business entity are as provided in the plan of conversion.

6 (e) All other provisions of the plan of conversion apply.

7 **(5)** After a plan of conversion is submitted and approved, the business entity
8 that is to be converted shall deliver to the department for filing a certificate of
9 conversion that includes all of the following:

10 (a) The plan of conversion.

11 (b) A statement that the plan of conversion was approved in accordance with
12 the applicable law of the jurisdiction that governs the organization of the business
13 entity.

14 (c) The registered agent and registered office, record agent and record office,
15 or other similar agent and office of the business entity before and after conversion.

16 **(6)** Any civil, criminal, administrative, or investigatory proceeding that is
17 pending by or against a business entity that is converted may be continued by or
18 against the business entity after the effective date of conversion.

19 **SECTION 81.** 180.1302 (1) (cm) of the statutes is created to read:

20 180.1302 **(1)** (cm) Consummation of a plan of conversion.

21 **SECTION 82.** 180.1421 (1) and (2) of the statutes are amended to read:

22 180.1421 **(1)** If the department determines that one or more grounds exist
23 under s. 180.1420 for dissolving a corporation, the department shall serve give the
24 corporation under s. ~~180.0504~~ with written 180.0141 notice of the determination.

SENATE BILL 333

1 Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall be in writing and
2 addressed to the registered office of the corporation.

3 (2) (a) Within 60 days after ~~service of the notice is perfected~~ takes effect under
4 s. ~~180.0504~~ 180.0141 (5) (a), the corporation shall correct each ground for dissolution
5 or demonstrate to the reasonable satisfaction of the department that each ground
6 determined by the department does not exist.

7 (b) If the corporation fails to satisfy par. (a), the department shall
8 administratively dissolve the corporation ~~by issuing a certificate of dissolution that~~
9 ~~recites each ground for dissolution and its effective date.~~ The department shall file
10 ~~the original of the certificate and serve a copy on the corporation under s. 180.0504~~
11 enter a notation in its records to reflect each ground for dissolution and the effective
12 date of dissolution and shall give the corporation under s. 180.0141 notice of those
13 facts. Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall be in writing
14 and addressed to the registered office of the corporation.

15 **SECTION 83.** 180.1421 (2m) of the statutes is created to read:

16 180.1421 (2m) (a) If a notice under sub. (1) or (2) (b) is returned to the
17 department as undeliverable, the department shall again give notice to the
18 corporation under s. 180.0141. Notwithstanding s. 180.0141 (2) (b), (3), and (4) and
19 except as provided under par. (b), the notice under this paragraph shall be in writing
20 and addressed to the principal office of the corporation.

21 (b) If the notice under par. (a) is returned to the department as undeliverable
22 or if the corporation's principal office cannot be determined from the records of the
23 department, the department shall give the notice by publishing a class 2 notice under
24 ch. 985 in the official state newspaper.

25 **SECTION 84.** 180.1504 (1) (intro.) and (b) of the statutes are amended to read:

SENATE BILL 333

1 180.1504 (1) (intro.) A foreign corporation authorized to transact business in
2 this state shall obtain an amended certificate of authority from the department if it
3 the foreign corporation changes any of the following:

4 (b) ~~The~~ Its date of incorporation or the period of its duration.

5 **SECTION 85.** 180.1507 (2) of the statutes is amended to read:

6 180.1507 (2) A domestic corporation, a nonstock corporation, a limited
7 partnership, a registered limited liability partnership, or a limited liability company
8 incorporated, registered, or organized in this state, whose business office is identical
9 with the registered office.

10 **SECTION 86.** 180.1507 (3) of the statutes is amended to read:

11 180.1507 (3) A foreign corporation, nonstock corporation, limited partnership,
12 registered limited liability partnership, or limited liability company authorized to
13 transact business in this state, whose business office is identical with the registered
14 office.

15 **SECTION 87.** 180.1530 (1m) and (2) of the statutes are amended to read:

16 180.1530 (1m) If the department receives a certificate under sub. (1) (f) and a
17 statement by the foreign corporation that the certificate is submitted by the foreign
18 corporation to terminate its authority to transact business in this state, the
19 department shall ~~issue a certificate of revocation~~ revoke the foreign corporation's
20 certificate of authority under s. 180.1531 (2) (b).

21 (2) A court may revoke under s. 946.87 the certificate of authority of a foreign
22 corporation authorized to transact business in this state. The court shall notify the
23 department of the action, and the department shall ~~issue a certificate of revocation~~
24 revoke the foreign corporation's certificate of authority under s. 180.1531 (2) (b).

25 **SECTION 88.** 180.1531 (1) and (2) (a) and (b) of the statutes are amended to read:

SENATE BILL 333

1 180.1531 (1) If the department determines that one or more grounds exist
2 under s. 180.1530 (1) for revocation of a certificate of authority, the department shall
3 ~~serve~~ give the foreign corporation under s. ~~180.1510~~ with written 180.0141 notice of
4 the determination. Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall
5 be in writing and addressed to the registered office of the foreign corporation.

6 (2) (a) Within 60 days after ~~service of the notice is perfected~~ takes effect under
7 s. ~~180.1510~~ 180.0141 (5) (a), the foreign corporation shall correct each ground for
8 revocation or demonstrate to the reasonable satisfaction of the department that each
9 ground determined by the department does not exist.

10 (b) If the foreign corporation fails to satisfy par. (a), the department may revoke
11 the foreign corporation's certificate of authority by ~~issuing a certificate of revocation~~
12 ~~that recites~~ entering a notation in the department's records to reflect each ground for
13 revocation and its the effective date of the revocation. The department shall ~~file the~~
14 ~~original of the certificate and serve a copy on~~ give the foreign corporation under s.
15 ~~180.1510~~ 180.0141 notice of each ground for revocation and the effective date of the
16 revocation. Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall be in
17 writing and addressed to the registered office of the foreign corporation.

18 **SECTION 89.** 180.1531 (2m) of the statutes is created to read:

19 180.1531 (2m) (a) If a notice under sub. (1) or (2) (b) is returned to the
20 department as undeliverable, the department shall again give notice to the
21 corporation under s. 180.0141. Notwithstanding s. 180.0141 (2) (b), (3), and (4) and
22 except as provided under par. (b), the notice under this paragraph shall be in writing
23 and addressed to the principal office of the foreign corporation.

24 (b) If the notice under par. (a) is returned to the department as undeliverable
25 or if the corporation's principal office cannot be determined from the records of the

SENATE BILL 333

1 department, the department shall give the notice by publishing a class 2 notice under
2 ch. 985 in the official state newspaper.

3 **SECTION 90.** 180.1532 (1) of the statutes is amended to read:

4 180.1532 (1) A foreign corporation may appeal the department's revocation of
5 its certificate of authority under s. 180.1530 (1) to the circuit court for the county
6 where the foreign corporation's principal office or, if none in this state, its registered
7 office is located, within 30 days after ~~service of the certificate~~ the notice of revocation
8 ~~is perfected~~ takes effect under s. ~~180.1510~~ 180.0141 (5) (a). The foreign corporation
9 shall appeal by petitioning the court to set aside the revocation and attaching to the
10 petition copies of its certificate of authority and the department's ~~certificate~~ notice
11 of revocation.

12 **SECTION 91.** 180.1709 of the statutes is repealed.

13 **SECTION 92.** 181.0103 (7) of the statutes is repealed and recreated to read:

14 181.0103 (7) "Deliver" means deliver by hand, mail, commercial delivery
15 service, electronic transmission, or any other method of delivery used in
16 conventional commercial practice.

17 **SECTION 93.** 181.0103 (10m) and (10p) of the statutes are created to read:

18 181.0103 (10m) "Electronic" means relating to technology having electrical,
19 digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

20 (10p) "Electronic signature" means an electronic sound, symbol, or process,
21 attached to or logically associated with a writing and executed or adopted by a person
22 with intent to authenticate the writing.

23 **SECTION 94.** 181.0103 (23) of the statutes is repealed and recreated to read:

24 181.0103 (23) "Sign" means to execute or adopt a manual, facsimile, conformed,
25 or electronic signature or any symbol with intent to authenticate a writing.

SENATE BILL 333

1 **SECTION 95.** 181.0121 (1) (a) 4. of the statutes is created to read:

2 181.0121 (1) (a) 4. An application for a certificate of conversion under s.
3 181.1161 (5).

4 **SECTION 96.** 181.0122 (1) (intro.) of the statutes is amended to read:

5 181.0122 (1) FILING FEE SCHEDULE. (intro.) The Except as provided under sub.
6 (5), the department shall collect the following fees when the documents described in
7 this subsection are delivered to the department for filing or, under pars. (e) and (f),
8 when the telephone applications are made:

9 **SECTION 97.** 181.0122 (1) (j) of the statutes is amended to read:

10 181.0122 (1) (j) Subject to sub. (3) (e), domestic corporation's or foreign
11 corporation's statement of change of a ~~registered agent or a registered office, or both,~~
12 \$10.

13 **SECTION 98.** 181.0122 (1) (o) of the statutes is repealed and recreated to read:

14 181.0122 (1) (o) Articles of merger, \$150.

15 **SECTION 99.** 181.0122 (1) (yr) of the statutes is created to read:

16 181.0122 (1) (yr) A certificate of conversion, \$150.

17 **SECTION 100.** 181.0122 (5) of the statutes is created to read:

18 181.0122 (5) The department, by rule, may specify a larger fee for filing
19 documents described in sub. (1) in paper format.

20 **SECTION 101.** 181.0402 (1) of the statutes is amended to read:

21 181.0402 (1) RESERVATION OF NAMES. A person may reserve the exclusive use
22 of a corporate name, including a fictitious name for a foreign corporation whose
23 corporate name is not available, by delivering an application to the department for
24 filing or by making a telephone application. The application shall include the name
25 and address of the applicant and the name proposed to be reserved. If the

SENATE BILL 333

1 department finds that the corporate name applied for under this subsection is
2 available, the department shall reserve the name for the applicant's exclusive use for
3 a 120-day period, which may be renewed by the applicant or a transferee under sub.
4 (2) from time to time. ~~If an application to reserve a name or to renew a reserved name~~
5 ~~is made by telephone, the department shall cancel the reservation or renewal if the~~
6 ~~department does not receive the fee required under s. 181.0122 (1) (e) or (f) within~~
7 ~~15 business days after the application is made.~~

8 **SECTION 102.** 181.0501 (2) of the statutes is amended to read:

9 181.0501 (2) DOMESTIC ENTITIES. A domestic corporation, stock corporation,
10 limited partnership, registered limited liability partnership, or limited liability
11 company, incorporated, registered, or organized in this state, whose business office
12 is identical with the registered office.

13 **SECTION 103.** 181.0501 (3) of the statutes is amended to read:

14 181.0501 (3) FOREIGN ENTITIES. A foreign corporation, stock corporation,
15 limited partnership, registered limited liability partnership, or limited liability
16 company, authorized to transact business in this state, whose business office is
17 identical with the registered office.

18 **SECTION 104.** Subchapter XI (title) of chapter 181 [precedes 181.1100] of the
19 statutes is amended to read:

CHAPTER 181

SUBCHAPTER XI

MERGER; CONVERSION

23 **SECTION 105.** 181.1100 of the statutes is created to read:

24 **181.1100 Definitions.** In this subchapter:

SENATE BILL 333

1 (1) “Business entity” means a domestic business entity and a foreign business
2 entity.

3 (2) “Domestic business entity” means a corporation, as defined in s. 180.0103
4 (5), a limited liability company, as defined in s. 183.0102 (10), a limited partnership,
5 as defined in s. 179.01 (7), or a corporation, as defined in s. 181.0103 (5).

6 (3) “Foreign business entity” means a foreign limited liability company, as
7 defined in s. 183.0102 (8), a foreign limited partnership, as defined in s. 179.01 (4),
8 a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as
9 defined in s. 181.0103 (13).

10 **SECTION 106.** 181.1101 (1) of the statutes is amended to read:

11 181.1101 (1) IN GENERAL. One or more corporations may merge ~~into a~~
12 ~~corporation or a stock corporation,~~ with or into one or more other business entities
13 if the plan of merger is approved as provided in s. 181.1103 and if the merger is
14 permitted under the applicable law of the jurisdiction that governs each other
15 business entity that is a party to the merger and each business entity approves the
16 plan of merger in the manner required by the laws applicable to the business entity.

17 **SECTION 107.** 181.1101 (2) (a) of the statutes is amended to read:

18 181.1101 (2) (a) The name of ~~each corporation,~~ form of business entity, and
19 identity of the jurisdiction governing each business entity planning to merge and the
20 name, form of business entity, and identity of the jurisdiction of the surviving
21 ~~corporation~~ business entity into which each other ~~corporation~~ business entity plans
22 to merge.

23 **SECTION 108.** 181.1101 (2) (d) of the statutes is amended to read:

24 181.1101 (2) (d) The manner and basis, if any, of converting ~~memberships of~~
25 ~~each merging corporation into memberships, obligations or~~ the shares or other

SENATE BILL 333

1 interests in each business entity that is a party to the merger into shares, interests,
2 obligations, or other securities of the surviving business entity or any other
3 ~~corporation~~ business entity or into cash or other property in whole or part.

4 **SECTION 109.** 181.1101 (3) (a) of the statutes is amended to read:

5 181.1101 (3) (a) ~~If the surviving corporation is a domestic corporation,~~
6 amendments Amendments to the articles of incorporation or bylaws other similar
7 governing document of the surviving ~~corporation~~ business entity to be effected by the planned
8 merger business entity.

9 **SECTION 110.** 181.1103 (6) of the statutes is amended to read:

10 181.1103 (6) ABANDONMENT OF PLANNED MERGER. After a merger is adopted, and
11 at any time before articles of merger are filed, the planned merger may be
12 abandoned, subject to any contractual rights, without further action by members or
13 other persons who approved the plan, in accordance with the procedure set forth in
14 the plan of merger or, if none is set forth, in the manner determined by the board or
15 other similar governing body of any other business entity that is a party to the
16 merger.

17 **SECTION 111.** 181.1104 (title) of the statutes is amended to read:

18 **181.1104 (title) Merger of subsidiary or parent.**

19 **SECTION 112.** 181.1104 (1) of the statutes is amended to read:

20 181.1104 (1) MEMBER APPROVAL NOT REQUIRED. A parent corporation that is a
21 member with at least 90% of the voting rights in a subsidiary corporation may merge
22 the subsidiary into ~~itself~~ the parent or the parent into the subsidiary without
23 approval of the members of the parent or the members or other owners of the
24 subsidiary.

25 **SECTION 113.** 181.1104 (2) (b) of the statutes is amended to read:

SENATE BILL 333**SECTION 113**

1 181.1104 (2) (b) The manner and basis of converting the memberships of the
2 subsidiary or parent into memberships or other interests of the parent surviving
3 business entity or any other ~~corporation~~ business entity or into cash or other
4 property in whole or part.

5 **SECTION 114.** 181.1104 (3) of the statutes is amended to read:

6 181.1104 (3) NOTICE REQUIREMENT. The parent shall mail a copy or summary
7 of the plan of merger to each member or other owner of the subsidiary merging
8 business entity who does not waive the mailing requirement in writing.

9 **SECTION 115.** 181.1104 (4) of the statutes is amended to read:

10 181.1104 (4) FILING WITH DEPARTMENT. The parent may not deliver articles of
11 merger to the department for filing until at least ~~30~~ 10 days after the date on which
12 it mailed a copy of the plan of merger to each member or other owner of the subsidiary
13 merging business entity who did not waive the mailing requirement.

14 **SECTION 116.** 181.1105 (intro.) of the statutes is amended to read:

15 **181.1105 Articles of merger.** (intro.) After a plan of merger is approved by
16 the board, and, if required under s. 181.1103, by the members and any other persons,
17 and by each other business entity that is a party to the merger in the manner
18 required by the laws applicable to the business entity, the surviving or acquiring
19 ~~corporation~~ business entity shall deliver to the department for filing articles of
20 merger that include all of the following information:

21 **SECTION 117.** 181.1105 (2) of the statutes is amended to read:

22 181.1105 (2) IF MEMBER APPROVAL NOT REQUIRED. If approval of members was
23 not required, a statement to that effect and a statement that the plan was approved
24 by a sufficient vote of the board and by each other business entity that is a party to
25 the merger in the manner required by the laws applicable to the business entity.

SENATE BILL 333

1 **SECTION 118.** 181.1105 (3) (c) of the statutes is created to read:

2 181.1105 (3) (c) A statement that the plan was approved by each other business
3 entity that is a party to the merger in the manner required by the laws applicable
4 to the business entity.

5 **SECTION 119.** 181.1105 (5) of the statutes is created to read:

6 181.1105 (5) EFFECTIVE DATE AND TIME. The effective date and time of the
7 merger, if the merger is to take effect at a time other than the close of business on
8 the date of filing the articles of merger, as provided under s. 181.0123.

9 **SECTION 120.** 181.1105 (6) of the statutes is created to read:

10 181.1105 (6) OTHER MATTERS. Other provisions relating to the merger, as
11 determined by the surviving business entity.

12 **SECTION 121.** 181.1106 (1) of the statutes is amended to read:

13 181.1106 (1) TERMINATION OF SEPARATE EXISTENCE. Every other corporation
14 business entity that is a party to the merger merges into the surviving corporation
15 business entity, and the separate existence of every corporation business entity,
16 except the surviving corporation business entity, ceases.

17 **SECTION 122.** 181.1106 (1m) of the statutes is created to read:

18 181.1106 (1m) DEBTS AND OBLIGATIONS. If the merger is with or into a business
19 entity under the laws applicable to which one or more of the owners of the business
20 entity is liable for the debts and obligations of the business entity, the owner or
21 owners are so liable only for the debts and obligations accrued during the period or
22 periods in which such laws are applicable. This subsection does not affect liability
23 under any taxation laws.

24 **SECTION 123.** 181.1106 (2) of the statutes is amended to read:

SENATE BILL 333**SECTION 123**

1 181.1106 (2) TITLE TO PROPERTY. The title to all real estate and other property
2 owned by each ~~corporation~~ business entity that is a party to the merger is vested in
3 the surviving ~~corporation~~ business entity without reversion or impairment subject
4 to any conditions to which the property was subject before the merger, provided that,
5 if a merging business entity has an interest in real estate in Wisconsin on the date
6 of the merger, the merging business entity shall transfer that interest to the business
7 entity surviving the merger and shall execute any real estate transfer return
8 required under s. 77.22. The business entity surviving the merger shall promptly
9 record the instrument of conveyance under s. 59.43 in the office of the register of
10 deeds for each county in which the real estate is located.

11 **SECTION 124.** 181.1106 (3) of the statutes is repealed and recreated to read:

12 181.1106 (3) LIABILITIES. The surviving business entity has all liabilities of
13 each business entity that is a party to the merger.

14 **SECTION 125.** 181.1106 (4) of the statutes is amended to read:

15 181.1106 (4) PENDING PROCEEDINGS. A civil, criminal, administrative, or
16 investigatory proceeding pending by or against any corporation business entity that
17 is a party to the merger may be continued as if the merger did not occur, or the
18 surviving ~~corporation~~ business entity may be substituted in the proceeding for the
19 ~~corporation~~ business entity whose existence ceased.

20 **SECTION 126.** 181.1106 (5) of the statutes is repealed and recreated to read:

21 181.1106 (5) ARTICLES OF INCORPORATION OR OTHER SIMILAR GOVERNING DOCUMENT.
22 The articles of incorporation, articles of organization, certificate of limited
23 partnership, or other similar governing document shall be amended to the extent
24 provided in the plan of merger.

25 **SECTION 127.** 181.1106 (6) of the statutes is created to read:

SENATE BILL 333

1 181.1106 (6) OWNERSHIP INTERESTS. The shares or other interests of each
2 business entity that is party to the merger that are to be converted into shares,
3 interests, obligations, or other securities of the surviving business entity or any other
4 business entity or into cash or other property are converted, and the former holders
5 of the shares or interests are entitled only to the rights provided in the articles of
6 merger or under laws applicable to each business entity that is party to the merger.

7 **SECTION 128.** 181.1107 (2) of the statutes is amended to read:

8 181.1107 (2) EFFECT OF MERGER. Upon the merger taking effect, ~~the any~~
9 ~~surviving foreign corporation or foreign stock corporation~~ business entity is deemed
10 to have irrevocably appointed the department as its agent for service of process in
11 any proceeding brought against it.

12 **SECTION 129.** 181.1108 of the statutes is amended to read:

13 **181.1108 Bequests, devises, and gifts.** Any bequest, devise, gift, grant, or
14 promise contained in a will or other instrument of donation, subscription, or
15 conveyance, that is made to a constituent ~~corporation~~ business entity and that takes
16 effect or remains payable after the merger, inures to the surviving ~~corporation~~
17 business entity unless the will or other instrument otherwise specifically provides.

18 **SECTION 130.** 181.1161 of the statutes is created to read:

19 **181.1161 Conversion. (1)** (a) A domestic corporation may convert to another
20 form of business entity if it satisfies the requirements under this section and if the
21 conversion is permitted under the applicable law of the jurisdiction that governs the
22 organization of the business entity into which the domestic corporation is converting.

23 (b) In addition to satisfying any applicable legal requirements of the
24 jurisdiction that governs the organization of the business entity into which the
25 domestic corporation is converting and that relate to the submission and approval

SENATE BILL 333

1 of a plan of conversion, the domestic corporation shall comply with the procedures
2 that govern a plan of merger under s. 181.1103 for the submission and approval of
3 a plan of conversion.

4 (2) (a) A business entity other than a domestic corporation may convert to a
5 domestic corporation if it satisfies the requirements under this section and if the
6 conversion is permitted under the applicable law of the jurisdiction that governs the
7 business entity.

8 (b) A business entity converting into a domestic corporation shall comply with
9 the procedures that govern the submission and approval of a plan of conversion of
10 the jurisdiction that governs the business entity.

11 (3) A plan of conversion shall set forth all of the following:

12 (a) The name, form of business entity, and the identity of the jurisdiction
13 governing the business entity that is to be converted.

14 (b) The name, form of business entity, and the identity of the jurisdiction that
15 will govern the new business entity.

16 (c) The terms and conditions of the conversion.

17 (d) The manner and basis of converting the shares or other ownership interests
18 of the business entity that is to be converted into the shares or other ownership
19 interests of the new form of business entity.

20 (e) The effective date and time of the conversion, if the conversion is to be
21 effective other than at the close of business on the date of filing the certificate of
22 conversion, as provided under s. 181.0123.

23 (f) A copy of the articles of incorporation, articles of organization, certificate of
24 limited partnership, or other similar governing document of the business entity after
25 conversion.

SENATE BILL 333

1 (g) Other provisions relating to the conversion, as determined by the business
2 entity.

3 (4) When a conversion is effective, all of the following shall occur:

4 (a) 1. Except with respect to taxation laws of each jurisdiction that are
5 applicable upon the conversion of the business entity, the business entity that was
6 converted is no longer subject to the applicable law of the jurisdiction that governed
7 the organization of the prior form of business entity and is subject to the applicable
8 law of the jurisdiction that governs the new form of business entity.

9 2. If the conversion is from or to a business entity under the laws applicable to
10 which one or more of the owners thereof is liable for the debts and obligations of such
11 business entity, such owner or owners shall be so liable only for debts and obligations
12 accrued during the period or periods in which such laws are applicable. This
13 subdivision does not affect liability under any taxation laws.

14 (b) The business entity continues to have all liabilities of the business entity
15 that was converted.

16 (c) The business entity continues to be vested with title to all property owned
17 by the business entity that was converted without reversion or impairment, provided
18 that, if the converting business entity has an interest in real estate in Wisconsin on
19 the date of the conversion, the converting business entity shall transfer that interest
20 to the business entity surviving the conversion and shall execute any real estate
21 transfer return required under s. 77.22. The business entity surviving the
22 conversion shall promptly record the instrument of conveyance under s. 59.43 in the
23 office of the register of deeds for each county in which the real estate is located.

SENATE BILL 333

1 (d) The articles of incorporation, articles of organization, certificate of limited
2 partnership, or other similar governing document, whichever is applicable, of the
3 business entity are as provided in the plan of conversion.

4 (e) All other provisions of the plan of conversion apply.

5 **(5)** After a plan of conversion is submitted and approved, the business entity
6 that is to be converted shall deliver to the department for filing a certificate of
7 conversion that includes all of the following:

8 (a) The plan of conversion.

9 (b) A statement that the plan of conversion was approved in accordance with
10 the applicable law of the jurisdiction that governs the organization of the business
11 entity.

12 (c) The registered agent and registered office, the record agent and record
13 office, or other similar agent and office of the business entity before and after
14 conversion.

15 **(6)** Any civil, criminal, administrative, or investigatory proceeding that is
16 pending by or against a business entity that is converted may be continued by or
17 against the business entity after the effective date of conversion.

18 **SECTION 131.** 181.1403 (1) (e) of the statutes is repealed and recreated to read:

19 181.1403 **(1)** (e) If approval by members is required, a statement that
20 dissolution was approved by a sufficient vote of the members of each class entitled
21 to vote on dissolution.

22 **SECTION 132.** 181.1421 (1) of the statutes is amended to read:

23 181.1421 **(1)** NOTICE OF DETERMINATION. If the department determines that one
24 or more grounds exist under s. 181.1420 for dissolving a corporation, the department
25 shall give the corporation written notice of the department's determination by

SENATE BILL 333

1 certified first-class mail, ~~return receipt requested~~, addressed to the corporation's
2 registered agent and to the corporation's principal office, as most recently designated
3 on the records of the department.

4 **SECTION 133.** 181.1421 (2) of the statutes is repealed and recreated to read:

5 181.1421 (2) SECONDARY NOTICES. (a) If a notice under sub. (1) is returned to
6 the department as undeliverable, the department shall again give the corporation
7 notice by first-class mail, addressed to the principal office of the corporation, as most
8 recently designated in the records of the department.

9 (b) If the notice under par. (a) is returned to the department as undeliverable
10 or if the corporation's principal office cannot be determined from the records of the
11 department, the department shall give the notice by publishing a class 2 notice under
12 ch. 985 in the official state newspaper.

13 **SECTION 134.** 181.1421 (4) (b) of the statutes is amended to read:

14 181.1421 (4) (b) If the corporation fails to satisfy par. (a), the department shall
15 administratively dissolve the corporation by ~~issuing a certificate of dissolution that~~
16 ~~recites each ground for dissolution and its effective date.~~ The department shall file
17 ~~the original of the certificate and shall provide notice to~~ enter a notation in the
18 department's records to reflect each ground for dissolution and the effective date of
19 dissolution and shall give the corporation of the certificate notice of those facts in the
20 same manner as a notice of determination under subs. (1) and (2).

21 **SECTION 135.** 181.1422 (2) (a) (intro.) of the statutes is amended to read:

22 181.1422 (2) (a) (intro.) The department shall cancel the certificate notice of
23 dissolution and issue a certificate of reinstatement that complies with par. (b) if the
24 department determines all of the following:

25 **SECTION 136.** 181.1423 (2) of the statutes is amended to read:

SENATE BILL 333

1 181.1423 (2) TIME FOR APPEAL OF DENIAL. The corporation may appeal the denial
2 of reinstatement to the circuit court for the county where the corporation's principal
3 office or, if none in this state, its registered office is located, within 30 days after
4 service of the notice of denial is perfected. The corporation shall appeal by
5 petitioning the court to set aside the dissolution and attaching to the petition copies
6 of the department's ~~certificate~~ notice of dissolution, the corporation's application for
7 reinstatement, and the department's notice of denial.

8 **SECTION 137.** 181.1504 (1) (b) of the statutes is amended to read:

9 181.1504 (1) (b) ~~The~~ Its date of incorporation or the period of its duration.

10 **SECTION 138.** 181.1507 (2) of the statutes is amended to read:

11 181.1507 (2) DOMESTIC ENTITIES. A domestic corporation, stock corporation,
12 limited partnership, registered limited liability partnership, or limited liability
13 company, incorporated, registered, or organized in this state, whose business office
14 is identical with the registered office.

15 **SECTION 139.** 181.1507 (3) of the statutes is amended to read:

16 181.1507 (3) FOREIGN ENTITIES. A foreign corporation, stock corporation,
17 limited partnership, registered limited liability partnership, or limited liability
18 company, authorized to transact business in this state, whose business office is
19 identical with the registered office.

20 **SECTION 140.** 181.1531 (1) of the statutes is amended to read:

21 181.1531 (1) NOTICE OF PROCEEDING BY DEPARTMENT. If the department
22 determines that one or more grounds exist under s. 181.1530 (1) for revocation of a
23 certificate of authority, the department shall ~~serve~~ give the foreign corporation under
24 s. 181.1510 ~~with~~ written notice of the determination, addressed to the foreign
25 corporation's registered agent.

SENATE BILL 333

1 **SECTION 141.** 181.1531 (2) (a), (b) and (c) 1. (intro.) of the statutes are amended
2 to read:

3 181.1531 (2) (a) Within 60 days after ~~service of~~ the notice is perfected under
4 ~~s. 181.1510~~ takes effect, the foreign corporation shall correct each ground for
5 revocation or demonstrate to the reasonable satisfaction of the department that each
6 ground determined by the department does not exist.

7 (b) If the foreign corporation fails to satisfy par. (a), the department may revoke
8 the foreign corporation's certificate of authority by ~~issuing a certificate of revocation~~
9 ~~that recites~~ entering a notation in the department's records to reflect each ground for
10 revocation and the ~~certificate's~~ effective date of revocation. The department shall ~~file~~
11 ~~the original certificate and serve a copy on~~ give notice of those facts to the foreign
12 corporation in the same manner as a notice of determination under ~~s. 181.1510~~ subs.
13 (1) and (2).

14 (c) 1. (intro.) If a foreign corporation's certificate of authority is revoked, the
15 department shall reinstate the certificate of authority if the foreign corporation does
16 all of the following within 6 months after the effective date of ~~the certificate of~~
17 revocation:

18 **SECTION 142.** 181.1531 (2g) of the statutes is created to read:

19 181.1531 (2g) SECONDARY NOTICES. (a) If a notice under sub. (1) or (2) (b) is
20 returned to the department as undeliverable, the department shall again give
21 written notice to the foreign corporation, addressed to the principal office of the
22 foreign corporation, as most recently designated in the records of the department.

23 (b) If the notice under par. (a) is returned to the department as undeliverable
24 or if the corporation's principal office cannot be determined from the records of the

SENATE BILL 333

1 department, the department shall give the notice by publishing a class 2 notice under
2 ch. 985 in the official state newspaper.

3 **SECTION 143.** 181.1531 (2r) of the statutes is created to read:

4 181.1531 (2r) EFFECTIVE DATE OF NOTICE. A notice under sub. (1), (2) (b), or (2g)
5 (a) takes effect at the earliest of the following:

6 (a) When received.

7 (b) Five days after its deposit in the U.S. mail, if mailed postpaid and correctly
8 addressed.

9 (c) On the date shown on the return receipt, if sent by registered or certified
10 mail, return receipt requested, and the receipt is signed by or on behalf of the
11 addressee.

12 **SECTION 144.** 181.1531 (3) of the statutes is amended to read:

13 181.1531 (3) EFFECT OF REVOCATION. The authority of a foreign corporation to
14 transact business in this state, ends on the effective date shown on the certificate
15 revoking of revocation of its certificate of authority, as reflected in the records of the
16 department.

17 **SECTION 145.** 181.1532 (1) of the statutes is amended to read:

18 181.1532 (1) RIGHT TO APPEAL. A foreign corporation may appeal the
19 department's revocation of its certificate of authority under s. 181.1530 (1) to the
20 circuit court for the county where the foreign corporation's principal office or, if none
21 exists in this state, its registered office is located, within 30 days after service of the
22 certificate the effective date of the notice of revocation is perfected under s. 181.1510.
23 The foreign corporation shall appeal by petitioning the court to set aside the
24 revocation and attaching to the petition copies of its certificate of authority and the
25 department's certificate notice of revocation.

SENATE BILL 333

1 **SECTION 146.** 183.0104 (1) of the statutes is amended to read:

2 183.0104 (1) A person may reserve the exclusive use of a limited liability
3 company name, including a fictitious name for a foreign limited liability company
4 whose name is not available, by delivering an application to the department for filing
5 or by making a telephone application. The application shall include the applicant's
6 name and address and the name proposed to be reserved. If the department finds
7 that the name applied for under this subsection is available, the department shall
8 reserve the name for the applicant's exclusive use for a 120-day period, which may
9 be renewed by the applicant or a transferee under sub. (2) from time to time. ~~If an~~
10 ~~application to reserve a name or to renew a reserved name is made by telephone, the~~
11 ~~department shall cancel the reservation or renewal if the department does not~~
12 ~~receive the fee required under s. 183.0114 (1) (e) or (f) within 10 business days after~~
13 ~~the day on which the application is made.~~

14 **SECTION 147.** 183.0105 (1) (b) of the statutes is amended to read:

15 183.0105 (1) (b) A domestic corporation, a domestic limited liability company,
16 limited partnership, registered limited liability partnership, or a nonstock
17 corporation organized or registered in this state, whose business office is identical
18 with the registered office.

19 **SECTION 148.** 183.0105 (1) (c) of the statutes is amended to read:

20 183.0105 (1) (c) A foreign corporation, nonstock corporation, limited
21 partnership, registered limited liability partnership, or ~~a foreign limited liability~~
22 ~~company, that is authorized to transact business in this state and,~~ whose business
23 office is identical with the registered office.

24 **SECTION 149.** 183.0107 (1) of the statutes is renumbered 183.0107 (1r).

25 **SECTION 150.** 183.0107 (1g) of the statutes is created to read:

SENATE BILL 333

1 183.0107 **(1g)** In this section:

2 (a) “Electronic” has the meaning given in s. 183.0108 (1g) (b).

3 (b) “Electronic signature” means an electronic sound, symbol, or process,
4 attached to or logically associated with a writing and executed or adopted by a person
5 with intent to authenticate the writing.

6 (c) “Sign” means to execute or adopt a manual, facsimile, conformed, or
7 electronic signature or any symbol with intent to authenticate a writing.

8 **SECTION 151.** 183.0108 (1) of the statutes is renumbered 183.0108 (1r).

9 **SECTION 152.** 183.0108 (1g) of the statutes is created to read:

10 183.0108 **(1g)** In this section:

11 (a) “Deliver” means deliver by hand, mail, commercial delivery service,
12 electronic transmission, or any other method of delivery used in conventional
13 commercial practice.

14 (b) “Electronic” means relating to technology having electrical, digital,
15 magnetic, wireless, optical, electromagnetic, or similar capabilities.

16 **SECTION 153.** 183.0108 (3) of the statutes is amended to read:

17 183.0108 **(3)** The department may waive any of the requirements of ~~subs. (1)~~
18 ~~and (2)~~ subs. (1r) and (2) and of s. 183.0107 if it appears from the face of the document
19 that the document’s failure to satisfy the requirement is immaterial.

20 **SECTION 154.** 183.0109 (1) (a) 5. of the statutes is created to read:

21 183.0109 **(1)** (a) 5. An application for a certificate of conversion under s.
22 183.1207 (5).

23 **SECTION 155.** 183.0110 (1) of the statutes is amended to read:

24 183.0110 **(1)** Upon receipt of a document by the department for filing under this
25 chapter, the department shall stamp or otherwise endorse the date ~~and time~~ of

SENATE BILL 333

1 receipt on the original, the document copy and, upon request, any additional
2 document copy received. The department shall return any additional document copy
3 to the person delivering it, as confirmation of the date and time of receipt.

4 **SECTION 156.** 183.0114 (1) (intro.) of the statutes is amended to read:

5 183.0114 (1) (intro.) The Except as provided under sub. (3), the department
6 shall collect the following fees when the documents described in this subsection are
7 delivered for filing, or, under pars. (e) and (f), the telephone applications are made:

8 **SECTION 157.** 183.0114 (1) (j) of the statutes is amended to read:

9 183.0114 (1) (j) Subject to sub. (2) (b), a domestic limited liability company's or
10 foreign limited liability company's statement of change of ~~registered agent or~~
11 ~~registered office or both~~, \$10.

12 **SECTION 158.** 183.0114 (1) (mp) of the statutes is created to read:

13 183.0114 (1) (mp) A certificate of conversion filed under s. 183.1207 (5), \$150.

14 **SECTION 159.** 183.0114 (1) (n) of the statutes is repealed and recreated to read:

15 183.0114 (1) (n) Articles of merger, \$150.

16 **SECTION 160.** 183.0114 (1) (w) of the statutes, as affected by 2001 Wisconsin Act

17 16, is amended to read:

18 183.0114 (1) (w) Annual report of a foreign limited liability company ~~that is~~
19 ~~submitted to the department by authorized electronic means, \$65; annual report~~
20 ~~submitted to the department on paper, \$80.~~

21 **SECTION 161.** 183.0114 (3) of the statutes is created to read:

22 183.0114 (3) The department, by rule, may specify a larger fee for filing
23 documents described in sub. (1) in paper format.

24 **SECTION 162.** 183.0204 of the statutes is repealed and recreated to read:

SENATE BILL 333

1 **183.0204 Effect of delivery or filing of articles of organization and**
2 **other documents. (1)** (a) A limited liability company is formed when the articles
3 of organization become effective under s. 183.0111.

4 (b) The department's filing of the articles of organization is conclusive proof
5 that the limited liability company is organized and formed under this chapter.

6 (c) The status of a limited liability company as a limited liability company or
7 as a foreign limited liability company registered to transact business in this state and
8 the liability of any member of any such limited liability company is not adversely
9 affected by errors or subsequent changes in any information stated in any filing
10 made under this chapter.

11 **(2)** The department's filing of the articles of organization of a foreign limited
12 liability company under s. 183.1004 shall be considered the certificate of authority
13 for that foreign limited liability company to transact business in this state and is
14 notice of all other facts set forth in the registration statement.

15 **(3)** (a) If a limited liability company or a foreign limited liability company that
16 is registered to transact business in this state dissolves, but its business continues
17 without winding up and without liquidating the company, the status of the limited
18 liability company or foreign limited liability company before dissolution shall
19 continue to be applicable to the company as it continues its business, and the
20 company shall not be required to make any new filings under this chapter. Any
21 filings made by such a limited liability company or foreign limited liability company
22 before dissolution shall be considered to have been filed by the company while it
23 continues its business.

24 (b) If a limited liability company or a foreign limited liability company that is
25 registered to transact business in this state dissolves, any filings made by the

SENATE BILL 333

1 company before dissolution remain in effect as to the company and its members
2 during the period of winding up and to the members during the period after the
3 company's liquidation or termination with respect to the liabilities of the company.

4 **SECTION 163.** 183.0404 (2) (fm) of the statutes is created to read:

5 183.0404 (2) (fm) Convert to a new form of business entity under s. 183.1207.

6 **SECTION 164.** 183.0504 of the statutes is created to read:

7 **183.0504 Series of members, managers, or limited liability company**
8 **interests.** An operating agreement may establish, or provide for the establishment
9 of, designated series or classes of members, managers, or limited liability company
10 interests that have separate or different preferences, limitations, rights, or duties,
11 with respect to profits, losses, distributions, voting, property, or other incidents
12 associated with the limited liability company.

13 **SECTION 165.** 183.0802 (3) of the statutes is amended to read:

14 183.0802 (3) (a) Except as provided in par. (b), ~~unless an operating agreement~~
15 ~~provides that a member does not have the power to withdraw by voluntary act from~~
16 ~~a limited liability company, the a member may do so~~ voluntarily withdraw from a
17 limited liability company at any time by giving written notice to the other members,
18 or on any other terms as are provided in an operating agreement. ~~If the member has~~
19 ~~the power to withdraw but the withdrawal is a breach of an operating agreement or~~
20 the withdrawal occurs as a result of otherwise wrongful conduct of the member, the
21 limited liability company may recover from the withdrawing member damages ~~for~~
22 ~~breach of the operating agreement or~~ as a result of the wrongful conduct and may
23 offset the damages against the amount otherwise distributable to the member, in
24 addition to pursuing any remedies provided for in an operating agreement or
25 otherwise available under applicable law. ~~Unless otherwise provided in an operating~~

SENATE BILL 333

1 ~~agreement, in the case of a limited liability company for a definite term or particular~~
2 ~~undertaking, a withdrawal by a member before the expiration of that term or~~
3 ~~completion of that undertaking is a breach of the operating agreement.~~

4 (b) If a member acquired an interest in a limited liability company for no or
5 nominal consideration or owns an interest as to which the power to withdraw is
6 prohibited or otherwise restricted in the operating agreement, the member may
7 withdraw from the limited liability company with respect to that interest only in
8 accordance with the operating agreement and only at the time or upon the occurrence
9 of an event specified in the operating agreement. If the operating agreement does
10 not specify the time or the event upon the occurrence of which the member may
11 withdraw, a member who acquired an interest in the limited liability company for no
12 or nominal consideration may not withdraw prior to the time for the dissolution and
13 commencement of winding up of the limited liability company without the written
14 consent of all members of the limited liability company. Unless otherwise provided
15 in an operating agreement, in the case of a limited liability company that is organized
16 for a definite term or particular undertaking, the operating agreement shall be
17 considered to provide that a member may not withdraw before the expiration of that
18 term or completion of that undertaking.

19 **SECTION 166.** 183.0901 (4) (intro.) of the statutes is amended to read:

20 183.0901 (4) (intro.) ~~An~~ For a limited liability company organized before the
21 effective date of this subsection [revisor inserts date], an event of dissociation of
22 a member, unless any of the following applies:

23 **SECTION 167.** 183.1001 (1) of the statutes is amended to read:

24 183.1001 (1) The laws of the state or other jurisdiction under which a foreign
25 limited liability company is organized shall govern its organization and internal

SENATE BILL 333

1 affairs and the liability and authority of its managers and members, regardless of
2 whether the foreign limited liability company obtained or should have obtained a
3 certificate of registration under this chapter, except that a foreign limited liability
4 company that has filed a certificate of conversion under s. 183.1207 (5) to become a
5 domestic limited liability company shall be subject to the requirements of this
6 chapter governing domestic limited liability companies on the effective date of the
7 conversion and shall not be subject to the requirements of this chapter governing
8 foreign limited liability companies.

9 **SECTION 168.** 183.1006 (1) (a) of the statutes is amended to read:

10 183.1006 (1) (a) Its name or the fictitious name under which it has been issued
11 a certificate of registration.

12 **SECTION 169.** 183.1006 (1) (b) of the statutes is amended to read:

13 183.1006 (1) (b) The state or jurisdiction under whose laws it is organized or
14 its date of organization.

15 **SECTION 170.** 183.1020 (2) of the statutes is amended to read:

16 183.1020 (2) If the department receives a certificate under sub. (1) (f) and a
17 statement by the foreign limited liability company that the certificate is submitted
18 by the foreign limited liability company to terminate its registration to transact
19 business in this state, the department shall ~~issue a certificate of revocation~~ revoke
20 the foreign limited liability company's certificate of registration under s. 183.1021
21 (2) (b).

22 **SECTION 171.** 183.1020 (3) of the statutes is amended to read:

23 183.1020 (3) A court may revoke under s. 946.87 the certificate of registration
24 of a foreign limited liability company registered to transact business in this state.
25 The court shall notify the department of the action, and the department shall issue

SENATE BILL 333

1 ~~a certificate of revocation~~ revoke the foreign limited liability company's certificate of
2 registration under s. 183.1021 (2) (b).

3 **SECTION 172.** 183.1021 (1) and (2) of the statutes are amended to read:

4 183.1021 (1) If the department determines that one or more grounds exist
5 under s. 183.1020 (1) for revocation of a certificate of registration, the department
6 shall ~~serve~~ give the foreign limited liability company under s. 183.1010 ~~with~~ written
7 notice of the determination by first class mail, addressed to the foreign limited
8 liability company's registered office.

9 (2) (a) Within 60 days after ~~service of the notice is perfected under s. 183.1010~~
10 takes effect, the foreign limited liability company shall correct each ground for
11 revocation or demonstrate to the reasonable satisfaction of the department that each
12 ground determined by the department does not exist.

13 (b) If the foreign limited liability company fails to satisfy par. (a), the
14 department may revoke the foreign limited liability company's certificate of
15 registration by ~~signing a certificate of revocation that recites~~ entering a notation in
16 the department's records to reflect each ground for revocation and its the effective
17 date of the revocation. The department shall ~~file the original of the certificate and~~
18 ~~serve a copy on~~ give written notice of those facts to the foreign limited liability
19 company ~~under s. 183.1010~~ by first class mail, addressed to the foreign limited
20 liability company's registered office.

21 **SECTION 173.** 183.1021 (2g) of the statutes is created to read:

22 183.1021 (2g) (a) If a notice under sub. (1) or (2) (b) is returned to the
23 department as undeliverable, the department shall again give written notice to the
24 foreign limited liability company, addressed to the principal office of the foreign
25 limited liability company.

SENATE BILL 333

1 (b) If the notice under par. (a) is returned to the department as undeliverable
2 or if the foreign limited liability company's principal office cannot be determined
3 from the records of the department, the department shall give the notice by
4 publishing a class 2 notice under ch. 985 in the official state newspaper.

5 **SECTION 174.** 183.1021 (2r) of the statutes is created to read:

6 183.1021 (2r) A notice under sub. (1), (2) (b), or (2g) (a) takes effect at the
7 earliest of the following:

8 (a) When received.

9 (b) Five days after its deposit in the U.S. mail, if mailed postpaid and correctly
10 addressed.

11 (c) On the date shown on the return receipt, if sent by registered or certified
12 mail, return receipt requested, and the receipt is signed by or on behalf of the
13 addressee.

14 **SECTION 175.** 183.1021 (3) of the statutes is amended to read:

15 183.1021 (3) The authority of a foreign limited liability company to transact
16 business in this state, other than as provided in s. 183.1002 (2), ends on the effective
17 date shown on the certificate revoking of revocation of its certificate of registration
18 as reflected in the records of the department.

19 **SECTION 176.** 183.1022 (1) of the statutes is amended to read:

20 183.1022 (1) A foreign limited liability company may appeal the department's
21 revocation of its certificate of registration under s. 183.1020 (1) to the circuit court
22 for the county where the foreign limited liability company's principal office or, if none
23 in this state, its registered office is located, within 30 days after service notice of the
24 certificate of revocation is perfected takes effect under s. 183.1010 s. 183.1021 (2r).

25 The foreign limited liability company shall appeal by petitioning the court to set

SENATE BILL 333

1 aside the revocation and attaching to the petition copies of its certificate of
2 registration and the department's certificate notice of revocation.

3 **SECTION 177.** Subchapter XII (title) of chapter 183 [precedes 183.1200] of the
4 statutes is amended to read:

CHAPTER 183**SUBCHAPTER XII****MERGER; CONVERSION**

8 **SECTION 178.** 183.1200 of the statutes is created to read:

9 **183.1200 Definitions.** In this subchapter:

10 (1) "Business entity" means a domestic business entity and a foreign business
11 entity.

12 (2) "Domestic business entity" means a corporation, as defined in s. 180.0103
13 (5), a domestic limited liability company, a limited partnership, as defined in s.
14 179.01 (7), or a corporation, as defined in s. 181.0103 (5).

15 (3) "Foreign business entity" means a foreign limited liability company, a
16 foreign limited partnership, as defined in s. 179.01 (4), a foreign corporation, as
17 defined in s. 180.0103 (9), or a foreign corporation, as defined in s. 181.0103 (13).

18 **SECTION 179.** 183.1201 (2) of the statutes is amended to read:

19 183.1201 (2) Unless otherwise provided in an operating agreement, one or
20 more limited liability companies may merge with or into one or more other limited
21 liability companies or one or more other foreign limited liability companies, with the
22 surviving limited liability company being the limited liability company provided in
23 the plan of merger business entities if the merger is permitted under the applicable
24 laws of the jurisdiction that governs each such other business entity and each

SENATE BILL 333

1 business entity approves the plan of merger in the manner required by the laws
2 applicable to the business entity.

3 **SECTION 180.** 183.1201 (3) of the statutes is amended to read:

4 183.1201 (3) Interests in a limited liability company that is a party to a merger
5 may be exchanged for or converted into cash, property, shares, obligations of or
6 ~~interest~~ interests in the surviving ~~limited liability company~~ business entity, or of any
7 other ~~limited liability company~~ business entity.

8 **SECTION 181.** 183.1202 (3) of the statutes is amended to read:

9 183.1202 (3) Each ~~foreign~~ business entity, other than a domestic limited
10 liability company, that is a party to a proposed merger shall approve the merger in
11 the manner ~~and by the vote~~ required by the laws applicable to the ~~foreign limited~~
12 ~~liability company~~ business entity.

13 **SECTION 182.** 183.1202 (4) of the statutes is amended to read:

14 183.1202 (4) Each ~~limited liability company~~ business entity that is a party to
15 the merger shall have any rights to abandon the merger that are provided for in the
16 plan of merger or in the laws applicable to the ~~limited liability company~~ business
17 entity.

18 **SECTION 183.** 183.1202 (6) of the statutes is created to read:

19 183.1202 (6) After a merger is authorized, and at any time before the articles
20 of merger are filed with the department, the planned merger may be abandoned,
21 subject to any contractual rights, without further action on the part of the
22 shareholders or other owners, in accordance with the procedure set forth in the plan
23 of merger or, if none is set forth, in the manner determined by the governing body of
24 any business entity that is a party to the merger.

25 **SECTION 184.** 183.1203 (1) of the statutes is repealed.

SENATE BILL 333

1 **SECTION 185.** 183.1203 (2) of the statutes is renumbered 183.1203, and
2 183.1203 (1), (3) and (4), as renumbered, are amended to read:

3 183.1203 (1) ~~The name of, form of business entity, and identity of the~~
4 jurisdiction governing each limited liability company business entity that is a party
5 to the merger and the name, form of business entity, and identity of the jurisdiction
6 of the surviving ~~limited liability company~~ business entity with, or into, which each
7 other ~~limited liability company~~ business entity proposes to merge.

8 (3) The manner and basis of converting the interests in each ~~limited liability~~
9 ~~company~~ business entity that is a party to the merger into ~~limited liability company~~
10 shares, interests or, obligations, or other securities of the surviving ~~limited liability~~
11 ~~company~~ business entity or any other business entity or into cash or other property
12 in whole or in part.

13 (4) Amendments to the articles of organization or other similar governing
14 document of the surviving ~~limited liability company~~ that will be effected by the
15 ~~merger~~ business entity.

16 **SECTION 186.** 183.1204 (1) of the statutes is repealed and recreated to read:

17 183.1204 (1) The surviving business entity shall deliver to the department
18 articles of merger that include all of the following:

19 (a) The plan of merger.

20 (b) The effective date and time of the merger, if the merger is to take effect at
21 a time other than the close of business on the date of filing the articles of merger
22 under s. 183.0111.

23 (c) A statement that the plan was approved by each domestic limited liability
24 company that is a party to the merger in accordance with s. 183.1202, and by each

SENATE BILL 333

1 other business entity that is a party to the merger in the manner required by the laws
2 applicable to the business entity.

3 (e) Other provisions relating to the merger, as determined by the surviving
4 business entity.

5 **SECTION 187.** 183.1205 of the statutes is repealed and recreated to read:

6 **183.1205 Effects of merger.** A merger has the following effects:

7 (1) Every other business entity that is a party to the merger merges into the
8 surviving business entity, and the separate existence of every business entity, except
9 the surviving business entity, ceases.

10 (1m) If the merger is with or into a business entity under the laws applicable
11 to which one or more of the owners of the business entity is liable for the debts and
12 obligations of the business entity, the owner or owners are so liable only for the debts
13 and obligations accrued during the period or periods in which such laws are
14 applicable.

15 (2) The title to all property owned by each business entity that is a party to the
16 merger is vested in the surviving business entity without reversion or impairment,
17 provided that, if a merging business entity has an interest in real estate in Wisconsin
18 on the date of the merger, the merging business entity shall transfer that interest to
19 the business entity surviving the merger and shall execute any real estate transfer
20 return required under s. 77.22. The business entity surviving the merger shall
21 promptly record the instrument of conveyance under s. 59.43 in the office of the
22 register of deeds for each county in which the real estate is located.

23 (3) The surviving business entity has all liabilities of each business entity that
24 is party to the merger.

SENATE BILL 333

1 (4) A civil, criminal, administrative, or investigatory proceeding pending by or
2 against any business entity that is a party to the merger may be continued as if the
3 merger did not occur, or the surviving business entity may be substituted in the
4 proceeding for the business entity whose existence ceased.

5 (5) The articles of organization, certificate of limited partnership, or other
6 similar governing document, whichever is applicable, of the surviving business
7 entity shall be amended to the extent provided in the plan of merger.

8 (6) The shares or other interests of each business entity that is party to the
9 merger that are to be converted into shares, interests, obligations, or other securities
10 of the surviving business entity or any other business entity or into cash or other
11 property are converted, and the former holders of the shares or interests are entitled
12 only to the rights provided in the articles of merger or to their rights under the laws
13 applicable to each business entity that is a party to the merger.

14 (7) If the surviving business entity is a foreign business entity, the department
15 is the agent of the surviving foreign business entity for service of process in a
16 proceeding to enforce any obligation of any business entity that is a party to the
17 merger or the rights of the dissenting members or other owners of each business
18 entity that is a party to the merger.

19 (8) When a merger takes effect, any surviving foreign business entity of the
20 merger shall promptly pay to the dissenting shareholders of each domestic
21 corporation or dissenting owners of each other domestic business entity that is a
22 party to the merger the amount, if any, to which they are entitled under ss. 180.1301
23 to 180.1331 or under any law applicable to the other domestic business entity.

24 **SECTION 188.** 183.1206 of the statutes is amended to read:

SENATE BILL 333

1 **183.1206 Right to object.** Unless otherwise provided in an operating
2 agreement, upon receipt of the notice required by s. 183.1202 (5), a member of a
3 limited liability company who did not vote in favor of the merger may, within 20 days
4 after the date of the notice, voluntarily dissociate from the limited liability company
5 under s. 183.0802 (3) and receive fair value for the member's limited liability
6 company interest under s. 183.0604. The rights afforded to shareholders, partners,
7 or other owners of other business entities shall be as required or provided by the laws
8 applicable to the other business entities.

9 **SECTION 189.** 183.1207 of the statutes is created to read:

10 **183.1207 Conversion.** (1) (a) A domestic limited liability company may
11 convert to another form of business entity if it satisfies the requirements under this
12 section and if the conversion is permitted under the applicable law of the jurisdiction
13 that governs the organization of the business entity into which the domestic limited
14 liability company is converting.

15 (b) In addition to satisfying any applicable legal requirements of the
16 jurisdiction that governs the organization of the business entity into which the
17 domestic limited liability company is converting and that relate to the submission
18 and approval of a plan of conversion, the domestic limited liability company shall
19 comply with the procedures that govern a plan of merger under s. 183.1202 for the
20 submission and approval of a plan of conversion.

21 (2) (a) A business entity other than a domestic limited liability company may
22 convert to a domestic limited liability company if it satisfies the requirements under
23 this section and if the conversion is permitted under the applicable law of the
24 jurisdiction that governs the business entity.

SENATE BILL 333

1 (b) A business entity converting into a domestic limited liability company shall
2 comply with the procedures that govern the submission and approval of a plan of
3 conversion of the jurisdiction that governs the business entity.

4 **(3)** A plan of conversion shall set forth all of the following:

5 (a) The name, form of business entity, and the identity of the jurisdiction
6 governing the business entity that is to be converted.

7 (b) The name, form of business entity, and the identity of the jurisdiction that
8 will govern the business entity after conversion.

9 (c) The terms and conditions of the conversion.

10 (d) The manner and basis of converting the shares or other ownership interests
11 of the business entity that is to be converted into the shares or other ownership
12 interests of the new form of business entity.

13 (e) The effective date and time of the conversion, if the conversion is to be
14 effective other than at the close of business on the date of filing the certificate of
15 conversion, as provided under s. 183.0111.

16 (f) A copy of the articles of incorporation, article of organization, certificate of
17 limited partnership or other governing document of the business entity after
18 conversion.

19 (g) Other provisions relating to the conversion, as determined by the business
20 entity.

21 **(4)** When a conversion is effective, all of the following shall occur:

22 (a) 1. Except with respect to taxation laws of each jurisdiction that are
23 applicable upon the conversion of the business entity, the business entity that was
24 converted is no longer subject to the applicable law of the jurisdiction that governed

SENATE BILL 333

1 the organization of the prior form of business entity and is subject to the applicable
2 law of the jurisdiction that governs the new form of business entity.

3 2. If the conversion is from or to a business entity under the laws applicable to
4 which one or more of the owners thereof is liable for the debts and obligations of such
5 business entity, such owner or owners shall be so liable only for debts and obligations
6 accrued during the period or periods in which such laws are applicable. This
7 subdivision does not affect liability under any taxation laws.

8 (b) The business entity continues to have all liabilities of the business entity
9 that was converted.

10 (c) The business entity continues to be vested with title to all property owned
11 by the business entity that was converted without reversion or impairment, provided
12 that, if the converting business entity has an interest in real estate in Wisconsin on
13 the date of the conversion, the converting business entity shall transfer that interest
14 to the business entity surviving the conversion and shall execute any real estate
15 transfer return required under s. 77.22. The business entity surviving the
16 conversion shall promptly record the instrument of conveyance under s. 59.43 in the
17 office of the register of deeds for each county in which the real estate is located.

18 (d) The articles of incorporation, articles of organization, certificate of limited
19 partnership, or other similar governing document, whichever is applicable, of the
20 business entity are as provided in the plan of conversion.

21 (e) All other provisions of the plan of conversion apply.

22 **(5)** After a plan of conversion is submitted and approved, the business entity
23 that is to be converted shall deliver to the department for filing a certificate of
24 conversion that includes all of the following:

25 (a) The plan of conversion.

SENATE BILL 333

1 (b) A statement that the plan of conversion was approved in accordance with
2 the applicable law of the jurisdiction that governs the organization of the business
3 entity.

4 (c) The registered agent and registered office, record agent and record office,
5 or other similar agent and office of the business entity before and after conversion.

6 **(6)** Any civil, criminal, administrative, or investigatory proceeding that is
7 pending by or against a business entity that is converted may be continued by or
8 against the business entity after the effective date of conversion.

9 **SECTION 190.** 184.10 (4) of the statutes is amended to read:

10 184.10 **(4)** The department of financial institutions shall collect a fee of \$15 for
11 filing a statement appointing an agent to receive service of process, an amended and
12 restated statement, or a resignation, except that the department of financial
13 institutions, by rule, may specify a larger fee for documents filed in paper format.

14 **SECTION 191.** 185.48 (4) of the statutes is amended to read:

15 185.48 **(4)** Any report not filed as required by sub. (3) may be filed only upon
16 payment to the department of \$26 or, if the report is filed in paper format, upon
17 payment of such larger fee as the department prescribes by rule.

18 **SECTION 192.** 185.48 (6) of the statutes is amended to read:

19 185.48 **(6)** The Except as otherwise provided in this subsection, the cooperative
20 may be restored to good standing by delivering to the department a current annual
21 report and by paying the \$26 late filing fee plus \$15 for each calendar year or part
22 thereof during which it was not in good standing, not exceeding a total of \$176. The
23 department, by rule, may specify a larger fee for the filing of an annual report in
24 paper format.

25 **SECTION 193.** 185.83 (1) (intro.) of the statutes is amended to read:

SENATE BILL 333

1 185.83 (1) (intro.) The Except as provided under sub. (1m), the department
2 shall charge and collect for:

3 **SECTION 194.** 185.83 (1) (b) of the statutes is renumbered 185.83 (1) (b) (intro.)
4 and amended to read:

5 185.83 (1) (b) (intro.) Filing an amendment to or restatement of the articles or
6 articles of ~~merger~~, consolidation or division, \$10, plus \$1.25 for each \$1,000 of
7 authorized stock not authorized at the time of the amendment, restatement,
8 consolidation, or division, except that no fee may be collected for ~~an~~ any of the
9 following:

10 1. An amendment showing only a change of address resulting from the action
11 of a governmental agency if there is no corresponding change in physical location and
12 if 2 copies of the notice of the action are submitted to the department; ~~and an~~
13 ~~additional fee of \$1.25 for each \$1,000 of authorized stock not authorized at the time~~
14 ~~of amendment, restatement, merger, consolidation or division.~~

15 **SECTION 195.** 185.83 (1) (b) 2. of the statutes is created to read:

16 185.83 (1) (b) 2. An amendment filed to reflect only a change in the name of a
17 registered agent.

18 **SECTION 196.** 185.83 (1) (bm) of the statutes is created to read:

19 185.83 (1) (bm) Filing articles of merger, \$30.

20 **SECTION 197.** 185.83 (1m) of the statutes is created to read:

21 185.83 (1m) The department, by rule, may specify a larger fee for filing
22 documents described in sub. (1) in paper format.

23 **SECTION 198.** 551.02 (1) of the statutes is renumbered 551.02 (1r).

24 **SECTION 199.** 551.02 (1g) of the statutes is created to read:

25 551.02 (1g) "Accredited investor" has the meaning given in 17 CFR 230.501 (a).

SENATE BILL 333

1 **SECTION 200.** 551.23 (8) (g) of the statutes is amended to read:

2 551.23 (8) (g) ~~An individual accredited investor, as defined by rule of the~~
3 ~~division, if the issuer reasonably believes immediately before the sale that the~~
4 ~~individual accredited investor, either alone or with the individual accredited~~
5 ~~investor's representative, has such knowledge and experience in financial and~~
6 ~~business matters as to be capable of evaluating the merits and risks of the~~
7 ~~prospective investment.~~

8 **SECTION 201.** 551.23 (10) of the statutes is amended to read:

9 551.23 (10) Any offer or sale of its securities by an issuer having its principal
10 office in this state, if the aggregate number of persons holding directly or indirectly
11 all of the issuer's securities, after the securities to be issued are sold, does not exceed
12 ~~15~~ 25, exclusive of persons under sub. (8), if no commission or other remuneration
13 is paid or given directly or indirectly for soliciting any person in this state, except to
14 broker-dealers and agents licensed in this state, and if no advertising is published
15 unless it has been permitted by the division.

16 **SECTION 202.** 551.23 (11) (a) of the statutes is amended to read:

17 551.23 (11) (a) Any transaction pursuant to an offer directed by the offeror to
18 not more than ~~10~~ 25 persons in this state, excluding persons exempt under sub. (8)
19 but including persons exempt under sub. (10), during any period of 12 consecutive
20 months, whether or not the offeror or any of the offerees is then present in this state,
21 if the offeror reasonably believes that all the persons in this state are purchasing for
22 investment, and no commission or other remuneration is paid or given directly or
23 indirectly for soliciting any person in this state other than those exempt by sub. (8).

24 **SECTION 203.** 551.31 (1) (d) of the statutes is created to read:

