

1-1 By: Hancock S.B. No. 1523  
1-2 (In the Senate - Filed March 11, 2021; March 24, 2021, read  
1-3 first time and referred to Committee on Business & Commerce;  
1-4 March 31, 2021, reported favorably by the following vote: Yeas 9,  
1-5 Nays 0; March 31, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to registered and protected series of domestic limited  
1-20 liability companies; authorizing fees.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter M, Chapter 101, Business  
1-23 Organizations Code, is amended to read as follows:

1-24 SUBCHAPTER M. SERIES LIMITED LIABILITY COMPANY

1-25 Sec. 101.601. SERIES OF MEMBERS, MANAGERS, MEMBERSHIP  
1-26 INTERESTS, OR ASSETS. (a) A company agreement may establish or  
1-27 provide for the establishment of one or more designated series of  
1-28 members, managers, membership interests, or assets that:

1-29 (1) has separate rights, powers, or duties with  
1-30 respect to specified property or obligations of the limited  
1-31 liability company or profits and losses associated with specified  
1-32 property or obligations; or

1-33 (2) has a separate business purpose or investment  
1-34 objective.

1-35 (b) A series established in accordance with Subsection (a)  
1-36 or a protected series or registered series established in  
1-37 accordance with Section 101.602 may carry on any business, purpose,  
1-38 or activity, whether or not for profit, that is not prohibited by  
1-39 Section 2.003.

1-40 (c) Nothing in this subchapter shall be construed to limit  
1-41 the freedom to contract to a series that is not a protected series  
1-42 or a registered series. Except as otherwise provided by  
1-43 Sections 101.627 through 101.636, a series may not merge or  
1-44 convert.

1-45 (d) The provisions of the company agreement that govern a  
1-46 protected series or registered series may be amended by the  
1-47 approval of:

1-48 (1) each member associated with the protected series  
1-49 or registered series;

1-50 (2) the members of each other protected series and  
1-51 registered series if the amendment adversely affects those members;  
1-52 and

1-53 (3) the members of the limited liability company that  
1-54 are not associated with any protected series or registered series  
1-55 if the amendment adversely affects those members.

1-56 Sec. 101.602. ENFORCEABILITY OF OBLIGATIONS AND EXPENSES OF  
1-57 PROTECTED SERIES OR REGISTERED SERIES AGAINST ASSETS. (a)  
1-58 Notwithstanding any other provision of this chapter or any other  
1-59 law, but subject to Subsection (b) and any other provision of this  
1-60 subchapter:

1-61 (1) the debts, liabilities, obligations, and expenses  
1-62 incurred, contracted for, or otherwise existing with respect to a  
1-63 particular protected series or registered series shall be  
1-64 enforceable against the assets of that series only, and shall not be

2-1 enforceable against the assets of the limited liability company  
2-2 generally or any other series; and

2-3 (2) none of the debts, liabilities, obligations, and  
2-4 expenses incurred, contracted for, or otherwise existing with  
2-5 respect to the limited liability company generally or any other  
2-6 series shall be enforceable against the assets of a particular  
2-7 protected series or registered series.

2-8 (b) Subsection (a) applies only [~~if~~]:

2-9 (1) to the extent the records maintained for that  
2-10 particular protected series or registered series account for the  
2-11 assets associated with that series separately from the other assets  
2-12 of the company or any other series;

2-13 (2) if the company agreement contains a statement to  
2-14 the effect of the limitations provided in Subsection (a), subject  
2-15 to any exceptions permitted under Subsection (d); and

2-16 (3) if the company's certificate of formation contains  
2-17 a notice of the limitations provided in Subsection (a), subject to  
2-18 any exceptions permitted under Subsection (d).

2-19 (c) A certificate of registered series must be filed with  
2-20 the secretary of state to form a registered series.

2-21 (d) Subsection (a) or any provision contained in a [~~limited~~  
2-22 ~~liability~~] company agreement, [~~or~~] certificate of formation, or  
2-23 certificate of registered series pursuant to Subsections  
2-24 [~~Subsection~~] (a) and (b) does not restrict:

2-25 (1) a particular protected series or registered series  
2-26 or a limited liability company on behalf of a particular protected  
2-27 series or registered series from expressly agreeing in the company  
2-28 agreement, the certificate of formation, any certificate of  
2-29 registered series, or in another [~~other~~] written agreement that  
2-30 does not violate that agreement or those certificates that any [~~or~~  
2-31 all] of the debts, liabilities, obligations, and expenses incurred,  
2-32 contracted for, or otherwise existing with respect to the company  
2-33 generally or any other series of the company shall be enforceable  
2-34 against the assets of that particular protected series or  
2-35 registered series if there are one or more liabilities that are  
2-36 recourse to the company generally or any other series and that  
2-37 cannot be enforced against those assets pursuant to the company  
2-38 agreement, the certificate of formation, any certificate of  
2-39 registered series, or in another written agreement that does not  
2-40 violate that agreement or those certificates; or

2-41 (2) a limited liability company from expressly  
2-42 agreeing in the company agreement or other written agreement that  
2-43 any or all of the debts, liabilities, obligations, and expenses  
2-44 incurred, contracted for, or otherwise existing with respect to a  
2-45 particular protected series or registered series shall be  
2-46 enforceable against the assets of the company generally.

2-47 (e) A company agreement does not need to use the term  
2-48 "protected" or "registered" or refer to this section when  
2-49 referencing a series. A series established by a company agreement  
2-50 without designating whether the series is a protected series or  
2-51 registered series and without filing the certificate of registered  
2-52 series required by Subsection (c) is a protected series if it meets  
2-53 the requirements of Subsections (a) and (b), subject to any  
2-54 exceptions permitted by Subsection (d).

2-55 (f) A series established in accordance with this section,  
2-56 but without filing the certificate of registered series under  
2-57 Subsection (c), is a protected series.

2-58 (g) A series established in accordance with this section,  
2-59 including by filing the certificate of registered series under  
2-60 Subsection (c), is a registered series.

2-61 Sec. 101.603. ASSETS OF PROTECTED SERIES OR REGISTERED  
2-62 SERIES. (a) Assets associated with a protected series or  
2-63 registered series may be held directly or indirectly, including  
2-64 being held in the name of the protected series or registered series,  
2-65 in the name of the limited liability company, through a nominee, or  
2-66 otherwise.

2-67 (b) To the extent [~~if~~] the records of a protected series or  
2-68 registered series are maintained in a manner so that the assets of  
2-69 the protected series or registered series can be reasonably  
2-70 identified by specific listing, category, type, quantity, or  
2-71 computational or allocational formula or procedure, including a

3-1 percentage or share of any assets, or by any other method in which  
 3-2 the identity of the assets can be objectively determined, the  
 3-3 records are considered to satisfy the requirements of Section  
 3-4 101.602(b)(1).

3-5 (c) In this subchapter, a reference to:

3-6 (1) "assets of a protected series" or "assets of a  
 3-7 registered series" includes assets associated with that series;

3-8 (2) "assets associated with a protected series" or  
 3-9 "assets associated with a registered series" includes assets of  
 3-10 that series;

3-11 (3) "members or managers of a protected series" or  
 3-12 "members or managers of a registered series" includes members or  
 3-13 managers associated with that series; and

3-14 (4) "members or managers associated with a protected  
 3-15 series" or "members or managers associated with a registered  
 3-16 series" includes members or managers of that series.

3-17 Sec. 101.604. NOTICE OF LIMITATION ON LIABILITIES OF  
 3-18 PROTECTED SERIES OR REGISTERED SERIES. (a) Notice of the  
 3-19 limitation on liabilities of a protected series or registered  
 3-20 series required by Section 101.602 that is contained in a  
 3-21 certificate of formation filed with the secretary of state  
 3-22 satisfies the requirements of Section 101.602(b)(3), regardless of  
 3-23 whether:

3-24 (1) the limited liability company has established any  
 3-25 protected series or registered series under this subchapter when  
 3-26 the notice is contained in the certificate of formation; ~~and~~

3-27 (2) the notice makes a reference to a specific  
 3-28 protected series or registered series of the limited liability  
 3-29 company; and

3-30 (3) the notice:

3-31 (A) uses the term "protected" or "registered"  
 3-32 when referencing the series; or

3-33 (B) includes a reference to Section 101.602.

3-34 (b) The fact that the certificate of formation filed with  
 3-35 the secretary of state contains the notice of the limitation on  
 3-36 liabilities of a protected series or registered series required by  
 3-37 Section 101.602 is notice of that limitation on liabilities of a  
 3-38 protected series or registered series.

3-39 Sec. 101.605. GENERAL POWERS OF PROTECTED SERIES OR  
 3-40 REGISTERED SERIES. A protected series or registered series  
 3-41 established under this subchapter has the power and capacity, in  
 3-42 the ~~[series' own]~~ name of the protected series or registered  
 3-43 series, to:

3-44 (1) sue and be sued;

3-45 (2) contract;

3-46 (3) acquire, sell, and hold title to assets of the  
 3-47 protected series or registered series, including real property,  
 3-48 personal property, and intangible property;

3-49 (4) grant liens and security interests in assets of  
 3-50 the protected series or registered series;

3-51 (5) be a promoter, organizer, partner, owner, member,  
 3-52 associate, or manager of an organization; and

3-53 (6) exercise any power or privilege as necessary or  
 3-54 appropriate to the conduct, promotion, or attainment of the  
 3-55 business, purposes, or activities of the protected series or  
 3-56 registered series.

3-57 Sec. 101.606. LIABILITY OF MEMBER OR MANAGER FOR  
 3-58 OBLIGATIONS; DUTIES. (a) Except as and to the extent the company  
 3-59 agreement specifically provides otherwise, a member or manager  
 3-60 associated with a protected series or registered series or a member  
 3-61 or manager of the company is not liable for a debt, obligation, or  
 3-62 liability of a protected series or registered series, including a  
 3-63 debt, obligation, or liability under a judgment, decree, or court  
 3-64 order.

3-65 (b) Notwithstanding Subsection (a), a member or manager  
 3-66 associated with a protected series or registered series or a member  
 3-67 or manager of the company may agree to be obligated personally for  
 3-68 any or all of the debts, obligations, and liabilities of one or more  
 3-69 protected series or registered series under the company agreement  
 3-70 or another agreement.

3-71 (c) The company agreement may expand or restrict any duties,

4-1 including fiduciary duties, and related liabilities that a member,  
 4-2 manager, officer, or other person associated with a protected  
 4-3 series or registered series has to:

4-4 (1) the protected series or registered series or the  
 4-5 company;

4-6 (2) a member or manager associated with the protected  
 4-7 series or registered series; or

4-8 (3) a member or manager of the company.

4-9 Sec. 101.607. CLASS OR GROUP OF MEMBERS OR MANAGERS. (a)  
 4-10 The company agreement may:

4-11 (1) establish classes or groups of one or more members  
 4-12 or managers associated with a protected series or registered series  
 4-13 each of which has certain express relative rights, powers, and  
 4-14 duties, including voting rights; and

4-15 (2) provide for the manner of establishing additional  
 4-16 classes or groups of one or more members or managers associated with  
 4-17 the protected series or registered series each of which has certain  
 4-18 express rights, powers, and duties, including providing for voting  
 4-19 rights and rights, powers, and duties senior to existing classes  
 4-20 and groups of members or managers associated with the protected  
 4-21 series or registered series.

4-22 (b) The company agreement may provide for the taking of an  
 4-23 action[~~, including the amendment of the company agreement,~~] without  
 4-24 the vote or approval of any member or manager or class or group of  
 4-25 members or managers, including the amendment of the company  
 4-26 agreement or an action to create under the provisions of the company  
 4-27 agreement a class or group of the protected series or registered  
 4-28 series of membership interests that was not previously outstanding.

4-29 (c) The company agreement may provide that:

4-30 (1) all or certain identified members or managers or a  
 4-31 specified class or group of the members or managers associated with  
 4-32 a protected series or registered series have the right to vote on  
 4-33 any matter separately or with all or any class or group of the  
 4-34 members or managers associated with the protected series or  
 4-35 registered series;

4-36 (2) any member or class or group of members associated  
 4-37 with a protected series or registered series has no voting rights;  
 4-38 and

4-39 (3) voting by members or managers associated with a  
 4-40 protected series or registered series is on a per capita, number,  
 4-41 financial interest, class, group, or any other basis.

4-42 Sec. 101.608. GOVERNING AUTHORITY. (a) Notwithstanding  
 4-43 any conflicting provision of the certificate of formation of a  
 4-44 limited liability company or the certificate of registered series,  
 4-45 the governing authority of a protected series or registered series  
 4-46 consists of the managers or members associated with the protected  
 4-47 series or registered series as provided in the company agreement.

4-48 (b) If the company agreement does not provide for the  
 4-49 governing authority of the protected series or registered series,  
 4-50 the governing authority of the protected series or registered  
 4-51 series consists of:

4-52 (1) the managers associated with the protected series  
 4-53 or registered series, if the company's certificate of formation  
 4-54 states that the company has [~~will have~~] one or more managers; or

4-55 (2) the members associated with the protected series  
 4-56 or registered series, if the company's certificate of formation  
 4-57 does not provide [~~states~~] that the company has [~~will not have~~]  
 4-58 managers.

4-59 Sec. 101.609. APPLICABILITY OF OTHER PROVISIONS OF CHAPTER  
 4-60 OR TITLE 1; SYNONYMOUS TERMS. (a) To the extent not inconsistent  
 4-61 with this subchapter, this chapter applies to a protected series or  
 4-62 registered series and its associated members and managers.

4-63 (b) For purposes of the application of any other provision  
 4-64 of this chapter to a provision of this subchapter, and as the  
 4-65 context requires:

4-66 (1) a reference to "limited liability company" or  
 4-67 "company" means the "protected series" or "registered series";

4-68 (2) a reference to "member" means "member associated  
 4-69 with the protected series" or "member associated with the  
 4-70 registered series"; and

4-71 (3) a reference to "manager" means "manager associated

5-1 with the protected series[-]" or "manager associated with the  
 5-2 registered series."

5-3 (c) To the extent not inconsistent with this subchapter, a  
 5-4 protected series or registered series and the governing persons and  
 5-5 officers associated with the protected series or registered series  
 5-6 have the powers and rights provided by Subchapters C and D, Chapter  
 5-7 3, and Subchapter F, Chapter 10. For purposes of those provisions,  
 5-8 and as the context requires:

5-9 (1) a reference to "entity," "domestic entity," or  
 5-10 "filing entity" includes the "protected series" or "registered  
 5-11 series";

5-12 (2) a reference to "governing person"  
 5-13 includes "governing person associated with the protected series"  
 5-14 or "governing person associated with the registered series";

5-15 (3) a reference to "governing authority"  
 5-16 includes "governing authority associated with the protected  
 5-17 series" or "governing authority associated with the registered  
 5-18 series"; and

5-19 (4) a reference to "officer" includes "officer  
 5-20 associated with the protected series[-]" or "officer associated  
 5-21 with the registered series."

5-22 Sec. 101.610. EFFECT OF CERTAIN EVENT ON MANAGER OR MEMBER.

5-23 (a) An event that under this chapter or the company agreement  
 5-24 causes a manager to cease to be a manager with respect to a  
 5-25 protected series or registered series does not, in and of itself,  
 5-26 cause the manager to cease to be a manager of the limited liability  
 5-27 company or with respect to any other protected series or registered  
 5-28 series of the company.

5-29 (b) An event that under this chapter or the company  
 5-30 agreement causes a member to cease to be associated with a protected  
 5-31 series or registered series does not, in and of itself, cause the  
 5-32 member to cease to be associated with any other protected series or  
 5-33 registered series or terminate the continued membership of a member  
 5-34 in the limited liability company or require the winding up of the  
 5-35 protected series or registered series, regardless of whether the  
 5-36 member was the last remaining member associated with the protected  
 5-37 series or registered series.

5-38 Sec. 101.611. MEMBER STATUS WITH RESPECT TO DISTRIBUTION.

5-39 (a) Subject to Sections 101.613, 101.617, 101.618, 101.619, and  
 5-40 101.620, when a member associated with a protected series or  
 5-41 registered series established under this subchapter is entitled to  
 5-42 receive a distribution with respect to the protected series or  
 5-43 registered series, the member, with respect to the distribution,  
 5-44 has the same status as a creditor of the protected series or  
 5-45 registered series and is entitled to any remedy available to a  
 5-46 creditor of the protected series or registered series.

5-47 (b) Section 101.206 does not apply to a distribution with  
 5-48 respect to the protected series or registered series.

5-49 Sec. 101.612. RECORD DATE FOR ALLOCATIONS AND  
 5-50 DISTRIBUTIONS. A company agreement may establish or provide for  
 5-51 the establishment of a record date for allocations and  
 5-52 distributions with respect to a protected series or registered  
 5-53 series.

5-54 Sec. 101.613. DISTRIBUTIONS. (a) A limited liability  
 5-55 company may make a distribution with respect to a protected series  
 5-56 or registered series.

5-57 (b) A limited liability company may not make a distribution  
 5-58 with respect to a protected series or registered series to a member  
 5-59 if, immediately after making the distribution, the total amount of  
 5-60 the liabilities of the protected series or registered series, other  
 5-61 than liabilities described by Subsection (c), exceeds the fair  
 5-62 value of the assets associated with the protected series or  
 5-63 registered series.

5-64 (c) For purposes of Subsection (b), the liabilities of a  
 5-65 protected series or registered series do not include:

5-66 (1) a liability to a member related to the member's  
 5-67 membership interest associated with the protected series or  
 5-68 registered series; or

5-69 (2) except as provided by Subsection (e), a liability  
 5-70 of the protected series or registered series for which the recourse  
 5-71 of creditors is limited to specified property of the protected

6-1 series or registered series.

6-2 (d) For purposes of Subsection (b), the assets associated  
6-3 with a protected series or registered series include the fair value  
6-4 of property of the protected series or registered series subject to  
6-5 a liability for which recourse of creditors is limited to specified  
6-6 property of the protected series or registered series only if the  
6-7 fair value of that property exceeds the liability.

6-8 (e) A member who receives a distribution from a protected  
6-9 series or registered series in violation of this section is not  
6-10 required to return the distribution to the protected series or  
6-11 registered series unless the member had knowledge of the violation.

6-12 (f) This section may not be construed to affect the  
6-13 obligation of a member to return a distribution to the protected  
6-14 series or registered series under the company agreement, another  
6-15 agreement, or other state or federal law.

6-16 (g) Section 101.206 does not apply to a distribution with  
6-17 respect to a protected series or registered series.

6-18 (h) For purposes of this section, "distribution" does not  
6-19 include an amount constituting reasonable compensation for present  
6-20 or past services or a reasonable payment made in the ordinary course  
6-21 of business under a bona fide retirement plan or other benefits  
6-22 program.

6-23 (i) For purposes of this subchapter, the determination of  
6-24 the amount of the liabilities or the value of the assets of a  
6-25 protected series or registered series may be based on:

6-26 (1) financial statements of the protected series or  
6-27 registered series, which may include the financial statements of  
6-28 subsidiary entities of the protected series or registered series  
6-29 accounted for on a consolidated basis or on the equity method of  
6-30 accounting that:

6-31 (A) present the financial condition of the  
6-32 protected series or registered series, and any subsidiary entity  
6-33 included in those financial statements, in accordance with  
6-34 generally accepted accounting principles or international  
6-35 financial reporting standards; or

6-36 (B) have been prepared using the method of  
6-37 accounting used to file a federal income tax return for the  
6-38 protected series or registered series or using any other accounting  
6-39 practices or principles that are reasonable under the  
6-40 circumstances;

6-41 (2) financial information, including condensed or  
6-42 summary financial statements, that is prepared on the same basis as  
6-43 financial statements described by Subdivision (1);

6-44 (3) projections, forecasts, or other forward-looking  
6-45 information relating to the future economic performance, financial  
6-46 condition, or liquidity of the protected series or registered  
6-47 series that is reasonable under the circumstances;

6-48 (4) a fair valuation or information from any other  
6-49 method that is reasonable under the circumstances; or

6-50 (5) a combination of a statement, valuation, or  
6-51 information authorized by this subsection.

6-52 (j) Subsection (i) does not apply to the computation of any  
6-53 tax imposed on a protected series or registered series under the  
6-54 laws of this state.

6-55 (k) An action alleging a distribution is made in violation  
6-56 of this section must be commenced not later than the second  
6-57 anniversary of the date of the distribution.

6-58 Sec. 101.614. AUTHORITY TO WIND UP AND TERMINATE PROTECTED  
6-59 SERIES OR REGISTERED SERIES. Except to the extent otherwise  
6-60 provided in the company agreement and subject to Sections 101.617,  
6-61 101.618, 101.619, and 101.620, a protected series or registered  
6-62 series and its business and affairs may be wound up and terminated  
6-63 without causing the winding up of the limited liability company.

6-64 Sec. 101.615. TERMINATION OF PROTECTED SERIES OR REGISTERED  
6-65 SERIES. (a) Except as otherwise provided by Sections 101.617,  
6-66 101.618, 101.619, and 101.620, the protected series terminates on  
6-67 the completion of the winding up of the business and affairs of the  
6-68 protected series in accordance with Sections 101.617, 101.618,  
6-69 101.619, and 101.620.

6-70 (b) Except as otherwise provided by Sections 101.617,  
6-71 101.618, 101.619, and 101.620, the registered series terminates on:

7-1                   (1) the completion of the winding up of the business  
 7-2 and affairs of the registered series in accordance with Sections  
 7-3 101.617, 101.618, 101.619, and 101.620; and

7-4                   (2) the effectiveness of the filing with the secretary  
 7-5 of state of a certificate of termination for the registered series.

7-6                   (c) The limited liability company shall provide notice of  
 7-7 the termination of a protected series or registered series in the  
 7-8 manner provided in the company agreement for notice of termination,  
 7-9 if any.

7-10                  (d) [~~e~~] The termination of the protected series or  
 7-11 registered series does not affect the limitation on liabilities of  
 7-12 the protected series or registered series provided by Section  
 7-13 101.602.

7-14                  Sec. 101.616. EVENT REQUIRING WINDING UP. Subject to  
 7-15 Sections 101.617, 101.618, 101.619, and 101.620, the business and  
 7-16 affairs of a protected series or registered series are required to  
 7-17 be wound up:

7-18                   (1) if the winding up of the limited liability company  
 7-19 is required under Section 101.552(a) or Chapter 11; or

7-20                   (2) on the earlier of:

7-21                   (A) the time specified for winding up the  
 7-22 protected series or registered series in the company agreement;

7-23                   (B) the occurrence of an event specified with  
 7-24 respect to the protected series or registered series in the company  
 7-25 agreement;

7-26                   (C) the occurrence of a majority vote of all of  
 7-27 the members associated with the protected series or registered  
 7-28 series approving the winding up of the protected series or  
 7-29 registered series or, if there is more than one class or group of  
 7-30 members associated with the protected series or registered series,  
 7-31 a majority vote of the members of each class or group of members  
 7-32 associated with the protected series or registered series approving  
 7-33 the winding up of the protected series or registered series;

7-34                   (D) if the protected series or registered series  
 7-35 has no members, the occurrence of a majority vote of all of the  
 7-36 managers associated with the protected series or registered series  
 7-37 approving the winding up of the protected series or registered  
 7-38 series or, if there is more than one class or group of managers  
 7-39 associated with the protected series or registered series, a  
 7-40 majority vote of the managers of each class or group of managers  
 7-41 associated with the protected series or registered series approving  
 7-42 the winding up of the protected series or registered series; or

7-43                   (E) a determination by a court in accordance with  
 7-44 Section 101.621.

7-45                  Sec. 101.617. PROCEDURES FOR WINDING UP AND TERMINATION OF  
 7-46 PROTECTED SERIES OR REGISTERED SERIES. (a) The following  
 7-47 provisions apply to a protected series or registered series and the  
 7-48 associated members and managers of the protected series or  
 7-49 registered series:

7-50                   (1) Subchapters A, G, H, and I, Chapter 11; and

7-51                   (2) Subchapter B, Chapter 11, other than Sections  
 7-52 11.051, 11.056, 11.057, 11.058, and 11.059.

7-53                   (b) The following provisions apply to a registered series  
 7-54 and the associated members and managers of the registered series:

7-55                   (1) Subchapters E and F, Chapter 11; and

7-56                   (2) Section 11.102.

7-57                   (c) For purposes of the application of Chapter 11 to a  
 7-58 protected series or registered series and as the context requires:

7-59                   (1) a reference to "domestic entity," "filing entity,"  
 7-60 "domestic filing entity," or "entity" means the "protected series"  
 7-61 or "registered series";

7-62                   (2) a reference to an "owner" means a "member  
 7-63 associated with the protected series" or "member associated with  
 7-64 the registered series";

7-65                   (3) a reference to the "governing authority" or a  
 7-66 "governing person" means:

7-67                   (A) the "governing authority associated with the  
 7-68 protected series" or a "governing person associated with the  
 7-69 protected series"; or

7-70                   (B) the "governing authority associated with the  
 7-71 registered series" or a "governing person associated with the

8-1 registered series"; and

8-2 (4) a reference to "business," "property,"  
8-3 "obligations," or "liabilities" means:

8-4 (A) the "business associated with the protected  
8-5 series," "property associated with the protected series,"  
8-6 "obligations associated with the protected series," or  
8-7 "liabilities associated with the protected series~~[-]~~"; or

8-8 (B) the "business associated with the registered  
8-9 series," "property associated with the registered series,"  
8-10 "obligations associated with the registered series," or  
8-11 "liabilities associated with the registered series."

8-12 (d) ~~[-(e)]~~ After the occurrence of an event requiring  
8-13 winding up of a protected series or registered series under Section  
8-14 101.616, unless a revocation as provided by Section 101.618 or a  
8-15 cancellation as provided by Section 101.619 occurs, the winding up  
8-16 of the protected series or registered series must be carried out by:

8-17 (1) the governing authority of the protected series or  
8-18 registered series or one or more persons, including a governing  
8-19 person, designated by:

8-20 (A) the governing authority of the protected  
8-21 series or registered series;

8-22 (B) the members associated with the protected  
8-23 series or registered series; or

8-24 (C) the company agreement; or

8-25 (2) a person appointed by the court to carry out the  
8-26 winding up of the protected series or registered series under  
8-27 Section 11.054, 11.405, 11.409, or 11.410.

8-28 (e) ~~[-(d)]~~ An action taken in accordance with this section  
8-29 does not affect the limitation on liability of members and managers  
8-30 provided by Section 101.606.

8-31 Sec. 101.618. REVOCATION OF VOLUNTARY WINDING UP. Before  
8-32 the termination of the protected series or registered series takes  
8-33 effect, a voluntary decision to wind up the protected series or  
8-34 registered series under Section 101.616(2)(C) or (D) may be revoked  
8-35 by:

8-36 (1) a majority vote of all of the members associated  
8-37 with the protected series or registered series approving the  
8-38 revocation or, if there is more than one class or group of members  
8-39 associated with the protected series or registered series, a  
8-40 majority vote of the members of each class or group of members  
8-41 associated with the protected series or registered series approving  
8-42 the revocation; or

8-43 (2) if the protected series or registered series has  
8-44 no members, a majority vote of all the managers associated with the  
8-45 protected series or registered series approving the revocation or,  
8-46 if there is more than one class or group of managers associated with  
8-47 the protected series or registered series, a majority vote of the  
8-48 managers of each class or group of managers associated with the  
8-49 protected series or registered series approving the revocation.

8-50 Sec. 101.619. CANCELLATION OF EVENT REQUIRING WINDING UP.

8-51 (a) Unless the cancellation is prohibited by the company  
8-52 agreement, an event requiring winding up of the protected series or  
8-53 registered series under Section 101.616(2)(A) or (B) [~~101.616(1) or~~  
8-54 ~~(2)] may be canceled by the consent of all of the members of the  
8-55 protected series or registered series before the termination of the  
8-56 protected series or registered series takes effect.~~

8-57 (b) In connection with the cancellation, the members must  
8-58 amend the company agreement to:

8-59 (1) eliminate or extend the time specified for the  
8-60 protected series or registered series if the event requiring  
8-61 winding up of the protected series or registered series occurred  
8-62 under Section 101.616(2)(A) [~~101.616(1)]~~; or

8-63 (2) eliminate or revise the event specified with  
8-64 respect to the protected series or registered series if the event  
8-65 requiring winding up of the protected series or registered series  
8-66 occurred under Section 101.616(2)(B) [~~101.616(2)]~~.

8-67 Sec. 101.620. CONTINUATION OF BUSINESS. The protected  
8-68 series or registered series may continue its business following the  
8-69 revocation under Section 101.618 or the cancellation under Section  
8-70 101.619.

8-71 Sec. 101.621. WINDING UP BY COURT ORDER. A district court

9-1 in the county in which the registered office or principal place of  
 9-2 business in this state of a domestic limited liability company is  
 9-3 located, on application by or for a member associated with a  
 9-4 protected series or registered [the] series of the company, has  
 9-5 jurisdiction to order the winding up and termination of the  
 9-6 protected series or registered [a] series if the court determines  
 9-7 that:

9-8 (1) it is not reasonably practicable to carry on the  
 9-9 business of the protected series or registered series in conformity  
 9-10 with the company agreement;

9-11 (2) the economic purpose of the protected series or  
 9-12 registered series is likely to be unreasonably frustrated; or

9-13 (3) another member associated with the protected  
 9-14 series or registered series has engaged in conduct relating to the  
 9-15 protected series' or registered series' business that makes it not  
 9-16 reasonably practicable to carry on the business with that member.

9-17 Sec. 101.622. PROTECTED SERIES OR REGISTERED SERIES NOT A  
 9-18 SEPARATE DOMESTIC ENTITY OR ORGANIZATION. For purposes of this  
 9-19 chapter and Title 1, a protected series or registered series has the  
 9-20 rights, powers, and duties provided by this subchapter to the  
 9-21 protected series or registered series but is not a separate  
 9-22 domestic entity or organization.

9-23 Sec. 101.623. FILING OF CERTIFICATE OF REGISTERED SERIES.

9-24 (a) To establish a registered series of a limited liability company  
 9-25 in accordance with Section 101.602, a certificate of registered  
 9-26 series for the registered series must be filed in accordance with  
 9-27 this section.

9-28 (b) A certificate of registered series must state:

9-29 (1) the name of the limited liability company;

9-30 (2) the name of the registered series being formed,  
 9-31 which must conform with the requirements of Section 5.056(c); and

9-32 (3) if the registered series is formed under a plan of  
 9-33 conversion or merger, a statement to that effect.

9-34 (c) A certificate of registered series may include any other  
 9-35 provisions not inconsistent with law relating to the organization,  
 9-36 ownership, governance, business, or affairs of the registered  
 9-37 series.

9-38 (d) A certificate of registered series shall be executed by  
 9-39 the limited liability company in accordance with Section 101.0515  
 9-40 and filed with the secretary of state in accordance with and take  
 9-41 effect as a filing instrument as specified by Chapter 4.

9-42 (e) A certificate of registered series is not an amendment  
 9-43 to the certificate of formation of the limited liability company.

9-44 (f) If a new registered series is established under a plan  
 9-45 of conversion or plan of merger, the certificate of registered  
 9-46 series of the registered series must be filed simultaneously with  
 9-47 the certificate of conversion or certificate of merger under  
 9-48 Section 101.627(b) or 101.634(e). The certificate of registered  
 9-49 series is not required to be filed separately under Subsection (a).  
 9-50 The formation and existence of a registered series that results  
 9-51 from a conversion or merger takes effect and commences on the  
 9-52 effectiveness of the conversion or merger.

9-53 Sec. 101.624. AMENDING CERTIFICATE OF REGISTERED SERIES.

9-54 (a) A certificate of registered series is amended by filing a  
 9-55 certificate of amendment in accordance with this section.

9-56 (b) If the company agreement of the limited liability  
 9-57 company specifies the manner of adopting an amendment to the  
 9-58 certificate of registered series, the amendment must be adopted as  
 9-59 specified by the company agreement. If the company agreement does  
 9-60 not specify the manner of adopting an amendment to the certificate  
 9-61 of registered series but specifies the manner of adopting an  
 9-62 amendment to the provisions of the company agreement governing the  
 9-63 registered series, the amendment must be adopted as specified in  
 9-64 the company agreement for the adoption of an amendment to the  
 9-65 provisions of the company agreement governing the registered  
 9-66 series. If the company agreement does not specify the manner of  
 9-67 adopting an amendment to the certificate of registered series or to  
 9-68 the provisions of the company agreement governing the registered  
 9-69 series, the amendment must be approved:

9-70 (1) by all of the members of the registered series;

9-71 (2) if the registered series does not yet have any

10-1 members but has managers, by all of the managers of the registered  
 10-2 series; or

10-3 (3) if the registered series does not have members or  
 10-4 managers, in the manner specified by the company agreement for  
 10-5 authorization of the establishment of a new registered series of  
 10-6 the limited liability company.

10-7 (c) The certificate of amendment must state:

10-8 (1) the name of the limited liability company;

10-9 (2) the name of the registered series;

10-10 (3) for each provision of the certificate of  
 10-11 registered series that is added, altered, or deleted, an  
 10-12 identification by reference or description of the added, altered,  
 10-13 or deleted provision and, if the provision is added or altered, a  
 10-14 statement of the text of the altered or added provision; and

10-15 (4) that the amendment has been approved in the manner  
 10-16 required by this subchapter and by the governing documents of the  
 10-17 registered series.

10-18 (d) A manager associated with a registered series or, if  
 10-19 there is no manager, any member associated with the registered  
 10-20 series who becomes aware that any statement in a certificate of  
 10-21 registered series filed with respect to the registered series was  
 10-22 false when made, or that any provision in the certificate of  
 10-23 registered series has changed making the certificate of registered  
 10-24 series false in any material respect, shall promptly amend the  
 10-25 certificate of registered series.

10-26 (e) The certificate of amendment must be executed by the  
 10-27 registered series in accordance with Section 101.0515 and shall be  
 10-28 filed with the secretary of state in accordance with and take effect  
 10-29 as a filing instrument as specified by Chapter 4.

10-30 Sec. 101.625. CERTIFICATE OF TERMINATION FOR REGISTERED  
 10-31 SERIES. (a) On completion of the winding up of a registered  
 10-32 series, a certificate of termination shall be filed in accordance  
 10-33 with this section.

10-34 (b) The certificate of termination must contain:

10-35 (1) the name of the limited liability company;

10-36 (2) the name of the registered series;

10-37 (3) the registered series' filing number assigned by  
 10-38 the secretary of state;

10-39 (4) the nature of the event requiring winding up the  
 10-40 registered series;

10-41 (5) a statement that the registered series has  
 10-42 complied with the provisions of this code governing the series'  
 10-43 winding up; and

10-44 (6) any other information the person filing the  
 10-45 certificate of termination determines.

10-46 (c) The certificate of termination must be executed by the  
 10-47 registered series in accordance with Section 101.0515 and shall be  
 10-48 filed with the secretary of state in accordance with and take effect  
 10-49 as a filing instrument as specified by Chapter 4.

10-50 (d) The secretary of state may not issue a certificate of  
 10-51 fact confirming the existence of a registered series if the limited  
 10-52 liability company has ceased to be in existence.

10-53 Sec. 101.626. NAME OF REGISTERED SERIES. The name of each  
 10-54 registered series included in a series' certificate of registered  
 10-55 series must:

10-56 (1) comply with the requirements of Chapter 5; and

10-57 (2) contain the name of the limited liability company  
 10-58 and the phrase or abbreviation required by Section 5.0561.

10-59 Sec. 101.627. CONVERSION OF A REGISTERED SERIES TO A  
 10-60 PROTECTED SERIES. (a) Upon compliance with Section 101.628, a  
 10-61 registered series of a domestic limited liability company may  
 10-62 convert to a protected series of the domestic limited liability  
 10-63 company by filing a certificate of conversion that complies with  
 10-64 Section 101.631 with the secretary of state in accordance with, and  
 10-65 taking effect as a filing instrument as specified, by Chapter 4.

10-66 (b) Upon compliance with Section 101.628, a protected  
 10-67 series of a domestic limited liability company may convert to a  
 10-68 registered series of the domestic limited liability company by  
 10-69 filing simultaneously with the secretary of state in accordance  
 10-70 with, and taking effect as a filing instrument as specified by,  
 10-71 Chapter 4:

- 11-1                   (1) a certificate of conversion that complies with  
 11-2 Section 101.631; and
- 11-3                   (2) a certificate of registered series as provided by  
 11-4 Section 101.623.
- 11-5                   (c) An existing registered series may not become a protected  
 11-6 series except as provided by Subsection (a) and Sections 101.628  
 11-7 through 101.632.
- 11-8                   (d) For purposes of this section and Sections 101.628  
 11-9 through 101.632:
- 11-10                  (1) "Conversion" means the continuation of:  
 11-11                    (A) a registered series as a protected series; or  
 11-12                    (B) a protected series as a registered series.
- 11-13                  (2) "Converted series" means a registered series or  
 11-14 protected series resulting from a conversion of, respectively, a  
 11-15 protected series or registered series, of a domestic limited  
 11-16 liability company.
- 11-17                  (3) "Converting series" means a registered series or  
 11-18 protected series before a conversion of that series.
- 11-19                  (4) "Plan of conversion" means a document that  
 11-20 conforms with the requirements of Section 101.628.
- 11-21                  Sec. 101.628. AUTHORIZATION OF CONVERSION. (a) A  
 11-22 converting series of a domestic limited liability company may  
 11-23 convert to a converted series of the company by adopting a plan of  
 11-24 conversion of the converting series to a converted series of the  
 11-25 company.
- 11-26                  (b) If the company agreement of the limited liability  
 11-27 company specifies the manner of adopting a plan of conversion of a  
 11-28 converting series to a converted series of that company, the plan of  
 11-29 conversion must be adopted as specified by the company agreement.  
 11-30 If the company agreement does not specify the manner of adopting a  
 11-31 plan of conversion of a converting series of the company to a  
 11-32 converted series of that company and does not prohibit a conversion  
 11-33 of a converting series to a converted series, the plan of conversion  
 11-34 must be authorized by members of the converting series who own more  
 11-35 than 50 percent of the then-current percentage or other interest in  
 11-36 the profits of the converting series owned by all of the members of  
 11-37 the converting series. If the plan of conversion provides for any  
 11-38 amendment to the company agreement, the plan of conversion must  
 11-39 also be approved in the manner required by this subchapter for the  
 11-40 approval of that amendment.
- 11-41                  (c) A converting series may not convert if a member  
 11-42 associated with the converting series, as a result of the  
 11-43 conversion, would become subject to liability under the company  
 11-44 agreement as a member, without that member's consent, for a  
 11-45 liability or other obligation of the converted series for which the  
 11-46 member is not liable under the company agreement as a member of the  
 11-47 converting series before the conversion.
- 11-48                  (d) At the time a conversion takes effect, each member of  
 11-49 the converting series has, unless otherwise agreed to by that  
 11-50 member, a membership interest in and is the member of the converted  
 11-51 series.
- 11-52                  (e) A plan of conversion must be in writing and must  
 11-53 include:
- 11-54                    (1) the name of the converting series;  
 11-55                    (2) the name of the converted series;  
 11-56                    (3) a statement that the converting protected series  
 11-57 or registered series, as applicable, is continuing its existence in  
 11-58 the form of the converted protected series or registered series, as  
 11-59 applicable;
- 11-60                    (4) the manner and basis, including use of a formula,  
 11-61 of converting the membership interests of the converting series  
 11-62 into membership interests of the converted series;
- 11-63                    (5) any amendment to the company agreement that may be  
 11-64 necessary to reflect the conversion of the converting series and  
 11-65 the establishment of the converted series; and
- 11-66                    (6) the certificate of registered series required to  
 11-67 be filed under this subchapter if the converted series is a  
 11-68 registered series.
- 11-69                  (f) An amendment or certificate of registered series  
 11-70 described by Subsection (e)(5) or (6) may be included in the plan of  
 11-71 conversion by an attachment or exhibit to the plan.

12-1 (g) Any of the terms of the plan of conversion may be made  
 12-2 dependent on a fact ascertainable outside of the plan if the manner  
 12-3 in which those facts will operate on the terms of the conversion is  
 12-4 clearly and expressly stated in the plan. In this subsection,  
 12-5 "facts" includes the occurrence of any event, including a  
 12-6 determination or action by any person.

12-7 Sec. 101.629. CONVERSION NOT WINDING UP EVENT. Unless  
 12-8 otherwise agreed, the conversion of a converting series under  
 12-9 Sections 101.627 through 101.631 does not:

12-10 (1) require the limited liability company or the  
 12-11 converting series to wind up the series' affairs under  
 12-12 Section 11.051, 11.056, 101.552 or 101.616 or to pay the series'  
 12-13 liabilities and distribute its assets under Sections 11.053 and  
 12-14 101.617; or

12-15 (2) constitute an event requiring winding up of the  
 12-16 company or the converting series.

12-17 Sec. 101.630. EFFECT OF CONVERSION. When a conversion  
 12-18 takes effect:

12-19 (1) the converting series continues to exist without  
 12-20 interruption in the form of the converted series rather than in the  
 12-21 form of the converting series;

12-22 (2) all rights, title, and interests to all property  
 12-23 owned by the converting series continues to be owned, subject to any  
 12-24 existing liens or other encumbrances on the property, by the  
 12-25 converted series in the new form without:

12-26 (A) reversion or impairment;

12-27 (B) further act or deed; or

12-28 (C) any transfer or assignment having occurred;

12-29 (3) all liabilities and obligations of the converting  
 12-30 series continue to be liabilities and obligations of the converted  
 12-31 series in the new form without impairment or diminution because of  
 12-32 the conversion;

12-33 (4) the rights of creditors or other parties with  
 12-34 respect to or against the previous members associated with the  
 12-35 converting series in their capacities as members in existence when  
 12-36 the conversion takes effect continue to exist as to those  
 12-37 liabilities and obligations and may be enforced by the creditors  
 12-38 and obligees as if a conversion had not occurred;

12-39 (5) a proceeding pending by or against the converting  
 12-40 series or by or against any of the converting series' members in  
 12-41 their capacities as members may be continued by or against the  
 12-42 converted series in the new form and by or against the previous  
 12-43 members without a need for substituting a party;

12-44 (6) the membership interests of the converting series  
 12-45 that are to be converted into membership interests of the converted  
 12-46 series as provided by the plan of conversion are converted as  
 12-47 provided by the plan, and the former members of the converting  
 12-48 series are entitled only to the rights provided by the plan of  
 12-49 conversion;

12-50 (7) the amendment to the company agreement under the  
 12-51 plan of conversion becomes effective; and

12-52 (8) if, after the conversion takes effect, a member of  
 12-53 the converted series as a member is liable for the liabilities or  
 12-54 obligations of the converted series, the member is liable for the  
 12-55 liabilities and obligations of the converting series that existed  
 12-56 before the conversion took effect only to the extent that the  
 12-57 member:

12-58 (A) agrees in writing to be liable for the  
 12-59 liabilities or obligations;

12-60 (B) was liable, before the conversion took  
 12-61 effect, for the liabilities or obligations; or

12-62 (C) by becoming a member of the converted series,  
 12-63 becomes liable under other applicable law for the existing  
 12-64 liabilities and obligations of the converted series.

12-65 Sec. 101.631. FILING OF CERTIFICATE OF CONVERSION. (a)  
 12-66 After adoption of a plan of conversion as provided by Section  
 12-67 101.628, a certificate of conversion must be signed by the  
 12-68 converting series and must include a statement certifying the  
 12-69 following:

12-70 (1) the name of the limited liability company and, if  
 12-71 it has been changed, the name under which the company's certificate

13-1 of formation was originally filed;  
13-2 (2) the filing number of the limited liability company  
13-3 assigned by the secretary of state;  
13-4 (3) the name of the converting series and, if it is a  
13-5 registered series and its name has been changed, the name under  
13-6 which its certificate of registered series was originally filed;  
13-7 (4) if the converting series is a registered series,  
13-8 the filing number of the registered series assigned by the  
13-9 secretary of state;  
13-10 (5) that a plan of conversion is on file at the  
13-11 principal place of business of the converting series, and the  
13-12 address of the principal place of business;  
13-13 (6) that a plan of conversion will be on file after the  
13-14 conversion at the principal place of business of the converted  
13-15 series, and the address of the principal place of business;  
13-16 (7) that a copy of the plan of conversion will be on  
13-17 written request furnished without cost by the converting series  
13-18 before the conversion or by the converted series after the  
13-19 conversion to any owner or member of the converting series or the  
13-20 converted series; and  
13-21 (8) that the plan of conversion has been adopted as  
13-22 required by the company agreement of the limited liability company  
13-23 and Section 101.628.  
13-24 (b) The certificate of conversion must be filed with the  
13-25 secretary of state in accordance with Section 101.627.  
13-26 Sec. 101.632. PROHIBITION ON CONVERSION PERMITTED. A  
13-27 company agreement may prohibit the conversion of a registered  
13-28 series or protected series of the company under Sections 101.627  
13-29 through 101.631.  
13-30 Sec. 101.633. MERGER AMONG MERGING SERIES OF SAME LIMITED  
13-31 LIABILITY COMPANY. (a) For purposes of the section and Sections  
13-32 101.634 through 101.636:  
13-33 (1) "Merger" means:  
13-34 (A) the division of a merging series into two or  
13-35 more new protected series and registered series; or  
13-36 (B) the combination of one or more merging series  
13-37 with one or more merging series resulting in:  
13-38 (i) one or more surviving merging series;  
13-39 (ii) the creation of one or more new  
13-40 protected series or registered series; or  
13-41 (iii) one or more surviving merging series  
13-42 and the creation of one or more new protected series or registered  
13-43 series.  
13-44 (2) "Merging series" means each and all protected  
13-45 series and registered series that are parties to a merger.  
13-46 (3) "Party to a merger" means a protected series or  
13-47 registered series that under a plan of merger is divided or combined  
13-48 by a merger.  
13-49 (4) "Plan of merger" means a document that conforms to  
13-50 the requirements of this section.  
13-51 (b) One or more merging series of the same limited liability  
13-52 company may affect a merger as provided by a plan of merger that is  
13-53 approved in accordance with this section and that complies with  
13-54 Sections 101.634 through 101.636. The plan of merger shall provide  
13-55 for one or more surviving or new protected series or registered  
13-56 series.  
13-57 (c) Unless otherwise provided by the company agreement, the  
13-58 plan of merger shall be approved by each protected series or  
13-59 registered series that is a party to the merger. If the company  
13-60 agreement specifies the manner of adopting a plan of merger for the  
13-61 merging series, the amendment must be adopted as specified in the  
13-62 company agreement. If the company agreement does not specify the  
13-63 manner of adopting a plan of merger for the merging series but  
13-64 specifies the manner of adopting an amendment to the provisions of  
13-65 the company agreement governing the merging series, the plan of  
13-66 merger must be adopted as specified in the company agreement for the  
13-67 adoption of an amendment to the provisions of the company agreement  
13-68 governing the merging series. If the company agreement does not  
13-69 specify the manner of adopting a plan of merger for the merging  
13-70 series or an amendment to the provisions of the company agreement  
13-71 governing the merging series, the amendment must be approved by

14-1 members of that merging series who own more than 50 percent of the  
 14-2 then-current percentage or other interest in the profits of that  
 14-3 merging series owned by all of the members of that merging series.  
 14-4 If the plan of merger provides for any amendment to the company  
 14-5 agreement, the plan of merger must also be approved in the manner  
 14-6 required by this subchapter for the approval of that amendment.

14-7 (d) A plan of merger must be in writing and must include:

14-8 (1) the name of each merging series that is a party to  
 14-9 the merger;

14-10 (2) the name of each merging series that will survive  
 14-11 the merger;

14-12 (3) the name of each new protected series or  
 14-13 registered series that is to be created by the plan of merger;

14-14 (4) the manner and basis, including use of a formula,  
 14-15 of converting or exchanging any of the membership interests of each  
 14-16 merging series that is a party to the merger into:

14-17 (A) membership interests, obligations, rights to  
 14-18 purchase securities, or other securities of one or more of the  
 14-19 surviving merging series or new protected series or registered  
 14-20 series;

14-21 (B) cash;

14-22 (C) other property, including membership  
 14-23 interests, obligations, rights to purchase securities, or other  
 14-24 securities of any other person or entity; or

14-25 (D) any combination of the items described by  
 14-26 Paragraphs (A)-(C);

14-27 (5) the identification of any of the membership  
 14-28 interests of a merging series that is a party to the merger that  
 14-29 are:

14-30 (A) to be canceled rather than converted or  
 14-31 exchanged; or

14-32 (B) to remain outstanding rather than converted  
 14-33 or exchanged if the protected series or registered series survives  
 14-34 the merger;

14-35 (6) any amendment to the company agreement that may be  
 14-36 necessary to reflect the merger of the merging series and the  
 14-37 establishment of any new protected series or registered series that  
 14-38 is to be created by the merger;

14-39 (7) any amendment to the certificate of registered  
 14-40 series of any registered series that is a surviving registered  
 14-41 series, including a change in the name of the surviving registered  
 14-42 series, that will be effected by the merger; and

14-43 (8) the certificate of registered series of each new  
 14-44 registered series to be created by the plan of merger.

14-45 (e) An item required by Subsections (d)(6) and (8) may be  
 14-46 included in the plan of merger by an attachment or exhibit to the  
 14-47 plan.

14-48 (f) If the plan of merger provides for a manner and basis of  
 14-49 converting or exchanging a membership interest that may be  
 14-50 converted or exchanged in a manner or basis different than any other  
 14-51 membership interest of the same class of the membership interest,  
 14-52 the manner and basis of conversion or exchange must be included in  
 14-53 the plan of merger in the same manner as provided by Subsection  
 14-54 (d)(4). A plan of merger may provide for cancellation of a  
 14-55 membership interest while providing for the conversion or exchange  
 14-56 of other membership interests of the same class as the membership  
 14-57 interest to be canceled.

14-58 (g) Any of the terms of the plan of merger may be made  
 14-59 dependent on facts ascertainable outside of the plan if the manner  
 14-60 in which those facts will operate on the terms of the merger is  
 14-61 clearly and expressly stated in the plan. In this subsection,  
 14-62 "facts" includes the occurrence of any event, including a  
 14-63 determination or action by any person.

14-64 (h) If more than one series is to survive or to be created by  
 14-65 the plan of merger, the plan of merger must include:

14-66 (1) the manner and basis of allocating and vesting the  
 14-67 property of each merging series that is a party to the merger among  
 14-68 one or more of the surviving or new series; and

14-69 (2) the manner and basis of allocating each liability  
 14-70 and obligation of each merging series that is a party to the merger,  
 14-71 or adequate provisions for the payment and discharge of each

15-1 liability and obligation, among one or more of the surviving or new  
 15-2 series.

15-3 (i) A plan of merger may include:

15-4 (1) amendments to provisions of the company agreement  
 15-5 relating to any surviving merging series or any new protected  
 15-6 series or registered series to be created by the merger; and

15-7 (2) any other provisions relating to the merger that  
 15-8 are not required by this subchapter.

15-9 (j) Notwithstanding prior approval, a plan of merger may be  
 15-10 terminated or amended under a provision for that termination or  
 15-11 amendment contained in the plan of merger.

15-12 (k) A merging series may not merge under this section if a  
 15-13 member of that merging series that is a party to the merger will, as  
 15-14 a result of the merger, become subject to liability under the  
 15-15 company agreement as a member, without that member's consent, for a  
 15-16 liability or other obligation of any other person for which the  
 15-17 member is not liable under the company agreement as a member of that  
 15-18 merging series before the merger.

15-19 Sec. 101.634. CERTIFICATE OF MERGER. (a) After approval of  
 15-20 a plan of merger as provided by Section 101.633, if a registered  
 15-21 series is a party to the merger or if a new registered series is to  
 15-22 be created by the merger, a certificate of merger must be signed by  
 15-23 each merging series that is a party to the merger and must include a  
 15-24 statement certifying the following:

15-25 (1) the name of each merging series that is a party to  
 15-26 the merger and the name of the limited liability company that formed  
 15-27 that merging series;

15-28 (2) that a plan of merger has been approved and  
 15-29 executed by or on behalf of each merging series that is to merge;

15-30 (3) the name of each merging series that survives the  
 15-31 merger and each new registered series or protected series that is  
 15-32 created by the merger;

15-33 (4) any amendment to the certificate of registered  
 15-34 series of any registered series that is a surviving merging series,  
 15-35 including a change in the name of the surviving registered series,  
 15-36 to be effected by the merger or a statement that amendments are  
 15-37 being made to the certificate of registered series of any  
 15-38 registered series that is a surviving merging series under a  
 15-39 certificate of amendment attached to the certificate of merger  
 15-40 under Subsection (d);

15-41 (5) the certificate of registered series for each new  
 15-42 registered series that is to be created by the merger is being filed  
 15-43 with the certificate of merger;

15-44 (6) that the plan of merger is on file at a place of  
 15-45 business of each surviving or new registered series or the limited  
 15-46 liability company that formed the registered series, and the  
 15-47 address of that place of business;

15-48 (7) that a copy of the plan of merger will be on  
 15-49 written request furnished without cost by each surviving merging  
 15-50 series or new registered series or protected series to any member of  
 15-51 any merging series that is a party to the merger or any registered  
 15-52 series or protected series created by the plan of merger and, for a  
 15-53 merger with multiple surviving or new series, to any creditor or  
 15-54 obligee of the parties to the merger at the time of the merger if a  
 15-55 liability or obligation is then outstanding;

15-56 (8) if approval of the members of any merging series  
 15-57 that was a party to the plan of merger is not required by this code  
 15-58 or the company agreement, a statement to that effect; and

15-59 (9) a statement that the plan of merger has been  
 15-60 approved as required by this code and by the company agreement.

15-61 (b) As provided by Subsection (a)(4), a certificate of  
 15-62 merger filed under this section may include as an attachment a  
 15-63 certificate of amendment containing amendments to the certificate  
 15-64 of registered series for any registered series that is a surviving  
 15-65 registered series of the merger.

15-66 (c) A certificate of merger that contains any amendment or  
 15-67 certificate of amendment to the certificate of registered series of  
 15-68 a registered series that is a surviving registered series in  
 15-69 accordance with Subsection (a)(4) and, if applicable, Subsection  
 15-70 (b) is considered to be an amendment to the certificate of  
 15-71 registered series of that surviving registered series. No further

16-1 action is required to amend the certificate of registered series of  
 16-2 the surviving registered series under Section 101.624 with respect  
 16-3 to the amendment.

16-4 (d) The certificate of merger must be filed with the  
 16-5 secretary of state in accordance with, and take effect as a filing  
 16-6 instrument as specified by Chapter 4. If a new registered series is  
 16-7 to be created by the merger, a certificate of registered series for  
 16-8 the new registered series that complies with Section 101.623 must  
 16-9 be simultaneously filed with the certificate of merger in  
 16-10 accordance with Chapter 4 as a filing instrument and must take  
 16-11 effect simultaneously with the effectiveness of the certificate of  
 16-12 merger.

16-13 (e) Whenever this section requires the filing of a  
 16-14 certificate of merger, that requirement is satisfied by the filing  
 16-15 of the plan of merger containing the information required to be  
 16-16 included in the certificate of merger as provided by this section.

16-17 Sec. 101.635. EFFECTS OF MERGER OF MERGING SERIES. (a)  
 16-18 When a merger of merging series takes effect:

16-19 (1) the separate existence of each merging series that  
 16-20 is a party to the merger, other than a surviving merging series or a  
 16-21 new protected series or registered series, ceases;

16-22 (2) all rights, title, and interests to all real  
 16-23 estate and other property owned by each merging series that is a  
 16-24 party to the merger is allocated to and vested, subject to any  
 16-25 existing liens or other encumbrances on the property, in one or more  
 16-26 of the series as provided by the plan of merger without:

16-27 (A) reversion or impairment;

16-28 (B) any further act or deed; or

16-29 (C) any transfer or assignment having occurred;

16-30 (3) all liabilities and obligations of each merging  
 16-31 series that is a party to the merger are allocated to one or more of  
 16-32 the surviving or new series provided by the plan of merger;

16-33 (4) each surviving or new series to which a liability  
 16-34 or obligation is allocated under the plan of merger is the primary  
 16-35 obligor for the liability or obligation, and, except as otherwise  
 16-36 provided by the plan of merger or by law or contract, no other party  
 16-37 to the merger, other than a surviving merging series liable or  
 16-38 otherwise obligated at the time of the merger, and no other new  
 16-39 registered series or protected series created under the plan of  
 16-40 merger is liable for the debt or other obligation;

16-41 (5) any proceeding pending by or against any merging  
 16-42 series that is a party to the merger may be continued as if the  
 16-43 merger did not occur, or the surviving or new series to which the  
 16-44 liability, obligation, asset, or right associated with that  
 16-45 proceeding is allocated to and vested in under the plan of merger  
 16-46 may be substituted in the proceeding;

16-47 (6) any amendment to the company agreement provided by  
 16-48 the plan of merger becomes effective;

16-49 (7) any amendment to the certificate of registered  
 16-50 series of a surviving registered series that is contained in the  
 16-51 certificate of merger, and any certificate of amendment attached to  
 16-52 the certificate of merger that contains amendments to the  
 16-53 certificate of registered series of a surviving registered series,  
 16-54 becomes effective;

16-55 (8) each new registered series whose certificate of  
 16-56 registered series is included in the plan of merger and filed with  
 16-57 the certificate of merger, on meeting any additional requirements,  
 16-58 if any, of this subchapter for the series' formation, is formed as a  
 16-59 registered series under this subchapter as provided by the plan of  
 16-60 merger; and

16-61 (9) the membership interests of each merging series  
 16-62 that is a party to the merger and that are to be converted or  
 16-63 exchanged, wholly or partly, into membership interests,  
 16-64 obligations, rights to purchase securities, or other securities of  
 16-65 one or more of the surviving or new series, into cash or other  
 16-66 property, including membership interests, obligations, rights to  
 16-67 purchase securities, or other securities of any organization, or  
 16-68 into any combination of these, or that are to be canceled or remain  
 16-69 outstanding, are converted, exchanged, canceled, or remain  
 16-70 outstanding as provided in the plan of merger, and the former  
 16-71 members who held membership interests of each merging series that

17-1 is a party to the merger are entitled only to the rights provided by  
 17-2 the plan of merger.

17-3 (b) If the plan of merger does not provide for the  
 17-4 allocation and vesting of the right, title, and interest in any  
 17-5 particular real estate or other property or for the allocation of  
 17-6 any liability or obligation of any party to the merger, the  
 17-7 unallocated property is owned in undivided interest by, or the  
 17-8 liability or obligation is the joint and several liability and  
 17-9 obligation of, each of the surviving and new series, pro rata to the  
 17-10 total number of surviving and new series resulting from the merger.

17-11 (c) Unless otherwise agreed, a merger of a merging series of  
 17-12 a limited liability company, including a merging series which is  
 17-13 not a surviving or new series resulting from the merger:

17-14 (1) does not require such merging series to wind up its  
 17-15 affairs under Section 101.616 or pay its liabilities and distribute  
 17-16 its assets under Sections 11.053 and 101.617; and

17-17 (2) does not constitute an event requiring winding up  
 17-18 of the merging series.

17-19 Sec. 101.636. PROHIBITION ON MERGER PERMITTED. A company  
 17-20 agreement may provide that a protected series or registered series  
 17-21 company does not have the power to merge under Section 101.633.

17-22 SECTION 2. Section 1.201(b)(27), Business & Commerce Code,  
 17-23 is amended to read as follows:

17-24 (27) "Person" means an individual, corporation,  
 17-25 business trust, estate, trust, partnership, limited liability  
 17-26 company, association, joint venture, government, governmental  
 17-27 subdivision, agency, or instrumentality, public corporation, any  
 17-28 other legal or commercial entity, or a protected series or  
 17-29 registered [particular] series of a for-profit entity.

17-30 SECTION 3. Section 9.102(a)(71), Business & Commerce Code,  
 17-31 is amended to read as follows:

17-32 (71) "Registered organization" means an organization  
 17-33 formed or organized solely under the law of a single state or the  
 17-34 United States by the filing of a public organic record with, the  
 17-35 issuance of a public organic record by, or the enactment of  
 17-36 legislation by the state or the United States. The term includes a  
 17-37 business trust that is formed or organized under the law of a single  
 17-38 state if a statute of the state governing business trusts requires  
 17-39 that the business trust's organic record be filed with the state.  
 17-40 The term includes a series of a registered organization if the  
 17-41 series is formed or organized under the laws of a single state and  
 17-42 the statute of the state governing the series requires that the  
 17-43 public organic record of the series be filed with the state.

17-44 SECTION 4. Sections 71.002(2), (4), and (9), Business &  
 17-45 Commerce Code, are amended to read as follows:

17-46 (2) "Assumed name" means:

17-47 (A) for an individual, a name that does not  
 17-48 include the surname of the individual;

17-49 (B) for a partnership, a name that does not  
 17-50 include the surname or other legal name of each joint venturer or  
 17-51 general partner;

17-52 (C) for an individual or a partnership, a name,  
 17-53 including a surname, that suggests the existence of additional  
 17-54 owners by including words such as "Company," "& Company," "& Son,"  
 17-55 "& Sons," "& Associates," "Brothers," and similar words, but not  
 17-56 words that merely describe the business being conducted or the  
 17-57 professional service being rendered;

17-58 (D) for a limited partnership, a name other than  
 17-59 the name stated in its certificate of formation;

17-60 (E) for a company, a name used by the company;

17-61 (F) for a corporation, a name other than the name  
 17-62 stated in its certificate of formation or a comparable document;

17-63 (G) for a limited liability partnership, a name  
 17-64 other than the name stated in its application filed with the office  
 17-65 of the secretary of state or a comparable document; ~~and~~

17-66 (H) for a limited liability company, a name other  
 17-67 than the name stated in its certificate of formation or a comparable  
 17-68 document, including the name of any protected series of the limited  
 17-69 liability company established by its company agreement; and

17-70 (I) for a registered series of a domestic limited  
 17-71 liability company, a name other than the name stated in its

18-1 certificate of registered series.

18-2 (4) "Company" means a real estate investment trust, a  
18-3 joint-stock company, or any other business, professional, or other  
18-4 association or legal entity that is not incorporated, other than a  
18-5 partnership, limited partnership, limited liability company,  
18-6 registered series of a limited liability company, limited liability  
18-7 partnership, or foreign filing entity.

18-8 (9) "Person" includes an individual, partnership,  
18-9 limited partnership, limited liability company, registered series  
18-10 of a limited liability company, limited liability partnership,  
18-11 company, corporation, or foreign filing entity.

18-12 SECTION 5. Section 71.003, Business & Commerce Code, is  
18-13 amended by adding Subsection (b-1) to read as follows:

18-14 (b-1) This chapter does not require a registered series of a  
18-15 limited liability company or its members to file a certificate to  
18-16 conduct business or render a professional service in this state  
18-17 under the name of the registered series as stated in the series'  
18-18 certificate of registered series.

18-19 SECTION 6. Section 71.051, Business & Commerce Code, is  
18-20 amended to read as follows:

18-21 Sec. 71.051. CERTIFICATE FOR CERTAIN UNINCORPORATED  
18-22 PERSONS. A person must file a certificate under this subchapter if  
18-23 the person regularly conducts business or renders a professional  
18-24 service in this state under an assumed name other than as a  
18-25 corporation, limited partnership, limited liability partnership,  
18-26 limited liability company, protected series or registered series of  
18-27 a limited liability company, or foreign filing entity.

18-28 SECTION 7. Section 71.101, Business & Commerce Code, is  
18-29 amended to read as follows:

18-30 Sec. 71.101. CERTIFICATE FOR INCORPORATED BUSINESS OR  
18-31 PROFESSION, LIMITED PARTNERSHIP, LIMITED LIABILITY PARTNERSHIP,  
18-32 LIMITED LIABILITY COMPANY, REGISTERED SERIES, OR FOREIGN FILING  
18-33 ENTITY. A corporation, limited partnership, limited liability  
18-34 partnership, limited liability company, registered series of a  
18-35 limited liability company, or foreign filing entity must file a  
18-36 certificate under this subchapter if the registered series or  
18-37 entity:

18-38 (1) regularly conducts business or renders  
18-39 professional services in this state under an assumed name; or

18-40 (2) is required by law to use an assumed name in this  
18-41 state to conduct business or render professional services.

18-42 SECTION 8. Section 71.102, Business & Commerce Code, is  
18-43 amended to read as follows:

18-44 Sec. 71.102. CONTENTS OF CERTIFICATE. The certificate  
18-45 must state:

18-46 (1) the assumed name under which the business is or is  
18-47 to be conducted or the professional service is or is to be rendered;

18-48 (2) the registrant's name as stated in the  
18-49 registrant's certificate of formation or application filed with the  
18-50 office of the secretary of state or other comparable document,  
18-51 except that:

18-52 (A) if the registrant is a limited liability  
18-53 company that is filing under an assumed name used by a protected  
18-54 series of the limited liability company, the certificate must state  
18-55 the name of that protected series as stated in the company agreement  
18-56 of the limited liability company and the name of the limited  
18-57 liability company as stated in the company's certificate of  
18-58 formation; or

18-59 (B) if the registrant is a registered series of a  
18-60 limited liability company, the certificate must state the  
18-61 registrant's name as stated in its certificate of registered series  
18-62 and the name of the limited liability company as stated in the  
18-63 company's certificate of formation;

18-64 (3) the state, country, or other jurisdiction under  
18-65 the laws of which the registrant was formed, incorporated, or  
18-66 organized;

18-67 (4) the period, not to exceed 10 years, during which  
18-68 the registrant will use the assumed name;

18-69 (5) a statement specifying that the registrant is:

18-70 (A) a for-profit corporation, nonprofit  
18-71 corporation, professional corporation, professional association,

19-1 or other type of corporation;  
 19-2 (B) a limited partnership, limited liability  
 19-3 partnership, ~~or~~ limited liability company, or registered series  
 19-4 of a limited liability company; or  
 19-5 (C) another type of incorporated business,  
 19-6 professional or other association, or legal entity, foreign or  
 19-7 domestic;  
 19-8 (6) the street or mailing address of the registrant's  
 19-9 principal office in this state or outside this state, as  
 19-10 applicable; and  
 19-11 (7) the county or counties in this state where the  
 19-12 registrant is or will be conducting business or rendering  
 19-13 professional services under the assumed name.

19-14 SECTION 9. Section 71.103(a), Business & Commerce Code, is  
 19-15 amended to read as follows:

19-16 (a) A corporation, limited partnership, limited liability  
 19-17 partnership, limited liability company, registered series of a  
 19-18 limited liability company, or foreign filing entity required to  
 19-19 file a certificate under Section 71.101 shall file the certificate  
 19-20 in the office of the secretary of state.

19-21 SECTION 10. Section 1.002, Business Organizations Code, is  
 19-22 amended by amending Subdivision (69-b) and adding Subdivisions  
 19-23 (77-a), (78-a), and (79-a) to read as follows:

19-24 (69-b) "Person" means an individual or a corporation,  
 19-25 partnership, limited liability company, business trust, trust,  
 19-26 association, or other organization, estate, government or  
 19-27 governmental subdivision or agency, or other legal entity, or a  
 19-28 protected series or registered series of a domestic limited  
 19-29 liability company or foreign entity.

19-30 (77-a) "Protected series" means a series of a domestic  
 19-31 limited liability company that is established as a protected series  
 19-32 in accordance with Section 101.602.

19-33 (78-a) "Registered series" means a series of a  
 19-34 domestic limited liability company that is formed as a registered  
 19-35 series in accordance with Section 101.602.

19-36 (79-a) "Series," with respect to a limited liability  
 19-37 company, means a designated series of members, managers, membership  
 19-38 interests, or assets that is a protected series or a registered  
 19-39 series, or that is neither a protected series nor a registered  
 19-40 series.

19-41 SECTION 11. Subchapter D, Chapter 4, Business Organizations  
 19-42 Code, is amended by adding Section 4.162 to read as follows:

19-43 Sec. 4.162. FILING FEES: REGISTERED SERIES OF LIMITED  
 19-44 LIABILITY COMPANY. (a) For a filing by or for a registered series  
 19-45 of a domestic limited liability company, the secretary of state  
 19-46 shall impose the following fees:

19-47 (1) for filing a certificate of registered series,  
 19-48 \$300;

19-49 (2) for filing a certificate of amendment, \$150; and

19-50 (3) for filing a certificate of termination, \$40.

19-51 (b) For a filing by or for a registered series of a domestic  
 19-52 limited liability company when no other fee has been provided, the  
 19-53 secretary of state shall impose the same fee as the filing fee for a  
 19-54 similar instrument under Section 4.151.

19-55 SECTION 12. Section 5.001, Business Organizations Code, is  
 19-56 amended to read as follows:

19-57 Sec. 5.001. EFFECT ON RIGHTS UNDER OTHER LAW. (a) The  
 19-58 filing of a certificate of formation by a filing entity under this  
 19-59 code, an application for registration by a foreign filing entity  
 19-60 under this code, a certificate of registered series, or an  
 19-61 application for reservation or registration of a name under this  
 19-62 chapter does not authorize the use of a name in this state in  
 19-63 violation of a right of another under:

19-64 (1) the Trademark Act of 1946, as amended (15 U.S.C.  
 19-65 Section 1051 et seq.);

19-66 (2) Chapter 16 or 71, Business & Commerce Code; or

19-67 (3) common law.

19-68 (b) The secretary of state shall deliver a notice that  
 19-69 contains the substance of Subsection (a) to each of the following:

19-70 (1) a filing entity that files a certificate of  
 19-71 formation under this code;

- 20-1 (2) a foreign filing entity that registers under this
- 20-2 code;
- 20-3 (3) a person that reserves a name under Subchapter C;
- 20-4 [~~and~~]
- 20-5 (4) a person that registers a name under Subchapter D;
- 20-6 and
- 20-7 (5) a registered series of a domestic limited
- 20-8 liability company that files a certificate of registered series.

20-9 SECTION 13. Section 5.051, Business Organizations Code, is

20-10 amended to read as follows:

20-11 Sec. 5.051. ASSUMED NAME. A domestic entity, a protected

20-12 series or registered series of a domestic limited liability

20-13 company, or a foreign entity having authority to transact business

20-14 in this state may transact business under an assumed name by filing

20-15 an assumed name certificate in accordance with Chapter 71, Business

20-16 & Commerce Code. The requirements of this subchapter do not apply

20-17 to an assumed name set forth in an assumed name certificate filed

20-18 under that chapter.

20-19 SECTION 14. Section 5.052, Business Organizations Code, is

20-20 amended to read as follows:

20-21 Sec. 5.052. UNAUTHORIZED PURPOSE IN NAME PROHIBITED. (a) A

20-22 filing entity or a foreign filing entity may not have a name that

20-23 contains any word or phrase that indicates or implies that the

20-24 entity is engaged in a business that the entity is not authorized by

20-25 law to pursue.

20-26 (b) A registered series may not have a name that contains

20-27 any word or phrase that indicates or implies that the registered

20-28 series is engaged in a business that the registered series is not

20-29 authorized by law to pursue.

20-30 SECTION 15. Section 5.053(a), Business Organizations Code,

20-31 is amended to read as follows:

20-32 (a) The name of a filing entity or registered series of a

20-33 domestic limited liability company or the name under which a

20-34 foreign filing entity registers to transact business in this state

20-35 must be distinguishable in the records of the secretary of state

20-36 from:

- 20-37 (1) the name of another existing filing entity;
- 20-38 (2) the name of a foreign filing entity that is
- 20-39 registered under Chapter 9;
- 20-40 (3) the fictitious name under which a foreign filing
- 20-41 entity is registered to transact business in this state;
- 20-42 (4) a name that is reserved under Subchapter C; [~~or~~]
- 20-43 (5) a name that is registered under Subchapter D; or
- 20-44 (6) the name of another existing registered series of
- 20-45 a domestic limited liability company.

20-46 SECTION 16. Subchapter B, Chapter 5, Business Organizations

20-47 Code, is amended by adding Section 5.0561 to read as follows:

20-48 Sec. 5.0561. NAME OF REGISTERED SERIES OF LIMITED LIABILITY

20-49 COMPANY. The name of a registered series of a limited liability

20-50 company must contain:

- 20-51 (1) the phrase "registered series"; or
- 20-52 (2) the abbreviation "RS" or "R.S." of that phrase.

20-53 SECTION 17. Section 5.061, Business Organizations Code, is

20-54 amended to read as follows:

20-55 Sec. 5.061. NAME CONTAINING "LOTTO" OR "LOTTERY"

20-56 PROHIBITED. A filing entity, [~~or~~] a foreign filing entity, or a

20-57 registered series of a domestic limited liability company may not

20-58 have a name that contains the word "lotto" or "lottery."

20-59 SECTION 18. Section 5.062(a), Business Organizations Code,

20-60 is amended to read as follows:

20-61 (a) Subject to Subsection (b), a filing entity or a

20-62 registered series of a domestic limited liability company may not

20-63 have a name that:

- 20-64 (1) reasonably implies that the entity or registered
- 20-65 series is created by or for the benefit of war veterans or their
- 20-66 families; and
- 20-67 (2) contains the word or phrase, or any variation or
- 20-68 abbreviation of:
  - 20-69 (A) "veteran";
  - 20-70 (B) "legion";
  - 20-71 (C) "foreign";

- 21-1 (D) "Spanish";  
 21-2 (E) "disabled";  
 21-3 (F) "war"; or  
 21-4 (G) "world war."

21-5 SECTION 19. Section 5.102(a), Business Organizations Code,  
 21-6 is amended to read as follows:

21-7 (a) The secretary of state may reserve a name under this  
 21-8 subchapter only if the name is distinguishable in the records of the  
 21-9 secretary of state from:

- 21-10 (1) the name of an existing filing entity;  
 21-11 (2) the name of a foreign filing entity that is  
 21-12 registered under Chapter 9;  
 21-13 (3) the fictitious name under which a foreign filing  
 21-14 entity is registered to transact business in this state;

21-15 (4) a name that is reserved under this subchapter;  
 21-16 [~~or~~]

21-17 (5) a name that is registered under Subchapter D; or  
 21-18 (6) the name of an existing registered series of a  
 21-19 domestic limited liability company.

21-20 SECTION 20. Section 5.153(a), Business Organizations Code,  
 21-21 is amended to read as follows:

21-22 (a) The secretary of state may register a name under this  
 21-23 subchapter only if the name is distinguishable in the records of the  
 21-24 secretary of state from:

- 21-25 (1) the name of an existing filing entity;  
 21-26 (2) the name of a foreign filing entity that is  
 21-27 registered under Chapter 9;  
 21-28 (3) the fictitious name under which a foreign filing  
 21-29 entity is registered to transact business in this state;

21-30 (4) a name that is reserved under Subchapter C; [~~or~~]  
 21-31 (5) a name that is registered under this subchapter;

21-32 or  
 21-33 (6) the name of an existing registered series of a  
 21-34 domestic limited liability company.

21-35 SECTION 21. Section 5.301, Business Organizations Code, is  
 21-36 amended to read as follows:

21-37 Sec. 5.301. APPLICABILITY OF SUBCHAPTER. (a) This  
 21-38 subchapter applies to service of process, notice, or demand on a  
 21-39 series of a domestic limited liability company or a series of a  
 21-40 foreign entity.

21-41 (b) For purposes of this subchapter, a reference to a  
 21-42 "series" is intended to be a reference to a protected series or  
 21-43 registered series of a domestic limited liability company or to a  
 21-44 series of a foreign entity that has the power to sue or be sued as a  
 21-45 separate series under the laws of the jurisdiction of formation of  
 21-46 the foreign entity.

21-47 SECTION 22. Section 11.206, Business Organizations Code, is  
 21-48 amended to read as follows:

21-49 Sec. 11.206. EFFECT OF REINSTATEMENT. (a) When the  
 21-50 reinstatement of a terminated entity takes effect:

21-51 (1) the existence of the terminated entity is  
 21-52 considered to have continued without interruption from the date of  
 21-53 termination; and

21-54 (2) the terminated entity may carry on its business as  
 21-55 if the termination of its existence had not occurred.

21-56 (b) The reinstatement of a terminated limited liability  
 21-57 company automatically reinstates any protected series or  
 21-58 registered series that terminated because of the termination of the  
 21-59 company.

21-60 SECTION 23. Section 101.0515, Business Organizations Code,  
 21-61 is amended to read as follows:

21-62 Sec. 101.0515. EXECUTION OF FILINGS. (a) Unless otherwise  
 21-63 provided by this title, a filing instrument of a limited liability  
 21-64 company must be signed by an authorized officer, manager, or member  
 21-65 of the limited liability company.

21-66 (b) Unless otherwise provided by this title, a filing  
 21-67 instrument of a registered series of a domestic limited liability  
 21-68 company must be signed by an authorized officer, manager, or member  
 21-69 of the registered series.

21-70 SECTION 24. Section 101.054(a), Business Organizations  
 21-71 Code, is amended to read as follows:

22-1 (a) Except as provided by this section, the following  
22-2 provisions may not be waived or modified in the company agreement of  
22-3 a limited liability company:

22-4 (1) this section;

22-5 (2) Section 101.101, 101.151, 101.206, 101.501, or  
22-6 Subchapter M of Chapter 101, except that Sections 101.601(d),  
22-7 101.610, 101.611, 101.613(a), 101.616(2)(A) through (D), 101.618,  
22-8 or 101.619(b) may be waived or modified in the company agreement  
22-9 [~~101.602(b), or 101.613~~];

22-10 (3) Chapter 1, if the provision is used to interpret a  
22-11 provision or define a word or phrase contained in a section listed  
22-12 in this subsection;

22-13 (4) Chapter 2, except that Section 2.104(c)(2),  
22-14 2.104(c)(3), or 2.113 may be waived or modified in the company  
22-15 agreement;

22-16 (5) Chapter 3, except that Subchapters C and E may be  
22-17 waived or modified in the company agreement; or

22-18 (6) Chapter 4, 5, 10, 11, or 12, other than Section  
22-19 11.056.

22-20 SECTION 25. Sections 101.611, 101.612, and 101.613,  
22-21 Business Organizations Code, as amended by this Act, apply only to a  
22-22 distribution made on or after the effective date of this Act. A  
22-23 distribution made before the effective date of this Act is governed  
22-24 by the law in effect on the date the distribution was made, and the  
22-25 former law is continued in effect for that purpose.

22-26 SECTION 26. This Act takes effect June 1, 2022.

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