

AN ACT

Bill 19-532
Act 19-512
effective
October 31,
2012

Codification
District of
Columbia
Official Code
2001 Edition

To amend Title 29 (“Business Organizations”) of the District of Columbia Official Code to make technical amendments and harmonize provisions relating to similar aspects of the unincorporated entities to make them consistent with each other; to amend the Education Licensure Commission Act of 1976 to prevent educational institutions from misrepresenting in their name an affiliation with the United States or District government; and to make technical and conforming amendments to Title 47 of the District of Columbia Official Code, the District of Columbia Deed Recordation Tax Act, and the Rental Housing Conversion and Sale Act of 1980.

District of
Columbia
Official Code
Title 29
Technical and
Harmonizing
Amendments
Act of 2012

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “District of Columbia Official Code Title 29 Technical and Harmonizing Amendments Act of 2012”.

Sec. 2. Title 29 of the District of Columbia Official Code is amended as follows:

(a) Chapter 1 is amended as follows:

Chapter 1
Table of
Contents
§ 29-102.09

(1) The table of contents is amended as follows:

(A) The heading for section 29-102.09 is amended by striking the phrase “constitutes affirmation” and inserting the phrase “of entity filing” in its place.

§ 29-104.04

(B) The heading for section 29-104.04 is amended by striking the word “Appointment” and inserting the word “Designation” in its place.

§ 29-104.08

(C) The heading for section 29-104.08 is amended by striking the phrase “or address” and inserting the phrase “, address, type of entity, or jurisdiction of formation” in its place.

§ 29-104.11

(D) The heading for section 29-104.11 is amended as follows:

(i) Strike the word “Appointment” and insert the word “Designation” in its place.

(ii) Strike the word “nonqualified” and insert the word “nonregistered” in its place.

Amend
§ 29-101.02

(2) Section 29-101.02 is amended as follows:

(A) Paragraph (3) is redesignated as paragraph (4).

(B) A new paragraph (3) is added to read as follows:

“(3) “Business trust” means a trust formed under the statutory law of another state which is not a foreign statutory trust and does not have a predominately donative purpose.”.

(C) Paragraph (4) is redesignated as paragraph (6).

(D) Paragraphs (5) through (7) are redesignated as paragraphs (8) through (10), respectively.

(E) A new paragraph (5) is added to read as follows:

“(5) “Common-law business trust” means a common-law trust that does not have a predominately donative purpose.”.

(F) A new paragraph (7) is added to read as follows:

“(7) “Distributional interest” means the right under an unincorporated entity’s organic law and organic rules to receive distributions from the entity.”.

(G) Paragraphs (8) through (27) are redesignated as paragraphs (11) through (30), respectively.

(H) The newly designated paragraph (8) is amended to read as follows:

“(8) “Domestic,” with respect to an entity, means governed as to its internal affairs by the law of the District or created under the provisions of a special act of congress unless otherwise noted under its Congressional Charter.”.

(I) The newly designated paragraph (10)(B) is amended as follows:

(i) The lead-in language is amended by striking the word “shall” and inserting the word “does” in its place.

(ii) Sub-subparagraph (ii) is amended to read as follows:

“(ii) A testamentary or inter vivos trust with a predominately donative purpose, or a charitable trust;”.

(iii) Sub-subparagraph (iii) is amended to read as follows:

“(iii) An association or relationship that is not a partnership under the rules set forth in § 29-602.02(c) or a similar provision of the law of another jurisdiction;”.

(J) The newly designated paragraph (13) is amended by adding the following sentence at the end:

“The term does not include a limited liability partnership.”.

(K) The newly designated paragraph (14) is amended to read as follows:

“(14) “Foreign”, with respect to an entity, means an entity governed as to its internal affairs by the law of a jurisdiction other than the District.”.

(L) The newly designated paragraph (18)(K) is amended as follows:

(i) Strike the phrase “A person” and insert the phrase “Any other person” in its place.

(ii) Strike the word “business” and insert the word “activities” in its place.

(M) The newly designated paragraph (19)(J) is amended by striking the word “transferable” and inserting the word “distributional” in its place.

(N) The newly designated paragraph (20)(J) is amended by striking the word “beneficiary” and inserting the phrase “beneficiary or beneficial owner” in its place.

(O) The newly designated paragraph (26) is amended by striking the phrase “registered under or subject to” and inserting the phrase “that has a statement of qualification in effect under” in its place.

(P) The newly designated paragraph (28) is amended as follows:

(i) Subparagraph (A) is amended by striking the phrase “agent for service of process” and inserting the phrase “registered agent” in its place.

(ii) Subparagraph (B) is amended by striking the phrase “agent for service of process” and inserting the phrase “registered agent” in its place.

(Q) Paragraphs (28) through (36) are redesignated as paragraphs (32) through (40), respectively.

(R) A new paragraph (31) is added to read as follows:

“(31) “Nonregistered foreign entity” means a foreign entity that is not registered to do business in the District pursuant to a statement of registration filed by the Mayor.”.

(S) The newly designated paragraph (34) is amended to read as follows:

“(34) “Person” means an individual, estate, business or nonprofit entity, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal entity.”.

(T) The newly designated paragraph (36)(I) is amended as follows:

(i) Strike the word “Governing” and insert the word “Trust” in its place.

(ii) Strike the comma after the phrase “statutory trust” and insert the phrase “or similar rules of a” in its place.

(U) The newly designated paragraph (39) is amended by striking the word “interest” and inserting the phrase “right or interest” in its place.

(V) The newly designated paragraph (40) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the phrase “the records the public filing of which forms” and insert the phrase “a record the filing of which by the Mayor is required to form” in its place.

(II) Strike the word “amendment” and insert the phrase “amendment to” in its place.

(W) The newly designated subparagraph (40)(G) is amended to read as follows:

“(G) Certificate of trust of a statutory trust or a similar record of a business trust or common-law business trust.”.

(X) Paragraph (37) is repealed.

(Y) Paragraphs (38) through (40) are redesignated as paragraphs (41) through (43), respectively.

(Z) The newly designated paragraph (43) is amended by striking the phrase “shall include” and inserting the word “includes” in its place.

(AA) A new paragraph (44) is added to read as follows:

“(44) “Registered foreign entity” means a foreign entity that is registered to do business in the District pursuant to a statement of registration filed by the Mayor.”.

(BB) Paragraphs (41) through (45) are redesignated as paragraphs (45) through (49), respectively.

(CC) The newly designated paragraph (47) is amended by striking the phrase “foreign statutory trust” and inserting the phrase “trust formed under a statute of a jurisdiction other than the District which would be a statutory trust if formed under the law of the District” in its place.

(DD) The newly designated paragraph (49) is amended by striking the phrase “mortgage, and encumbrance” and inserting the phrase “or encumbrance, including a mortgage or security interest, a gift, or a transfer by operation of law” in its place.

(EE) Paragraph (46) is repealed.

(FF) Paragraphs (47) and (48) are redesignated as paragraphs (50) and (51), respectively.

(GG) The newly designated paragraph (51) is amended by striking the phrase “foreign unincorporated nonprofit association” and inserting the phrase “nonprofit association formed under the law of a jurisdiction other than the District which would be an unincorporated nonprofit association if formed under the law of the District” in its place.

(HH) A new paragraph (52) is added to read as follows:

“(52) “Written” means inscribed on a tangible medium. “Writing” has a corresponding meaning.”.

(3) Section 29-101.06(a)(5) is amended by striking the word “appoint” and inserting the word “designate” in its place.

**Amend
§ 29-101.06**

(4) Section 29-102.01 is amended as follows:

**Amend
§ 29-102.01**

(A) Subsection (a) is amended as follows:

(i) Paragraph (4) is amended by striking the phrase “an individual authorized” and inserting the phrase “or on behalf of a person authorized or required” in its place.

(ii) Paragraph (5) is amended by striking the phrase “the individual who signed it” and inserting the phrase “each individual who signed it, either by or on behalf of the person authorized or required to sign the filing” in its place.

(B) Subsection (b) is amended by striking the word “section” and inserting the word “title” in its place.

(C) A new subsection (e) is added to read as follows:

“(e) Any record filed under this title may be signed by an agent.”.

(5) Section 29-102.03 is amended as follows:

**Amend
§ 29-102.03**

(A) The lead-in language is amended as follows:

(i) Strike the phrase “§ 29-102.04” and insert the phrase “this title” in its place.

(ii) Strike the phrase “§ 29-102.05(c)” and insert the phrase “§ 29-102.05(d)” in its place.

(B) Paragraph (4) is amended by striking the period and inserting the phrase “, which may not be more than 90 days after the date of filing.” in its place.

- (6) Section 29-102.04(d) is amended by striking the phrase “on the delivery for filing to” and inserting the phrase “upon filing by” in its place. Amend
§ 29-102.04
- (7) Section 29-102.05(c)(2) is amended by striking the phrase “on behalf of” and inserting the word “by” in its place. Amend
§ 29-102.05
- (8) Section 29-102.06 is amended as follows: Amend
§ 29-102.06
- (A) Subsection (a) is amended by striking the phrase “§ 29-102.01” and inserting the phrase “this title” in its place.
- (B) Subsection (b) is amended as follows:
- (i) Strike the word “time” and insert the phrase “at the time” in its place.
- (ii) Strike the phrase “domestic or foreign entity or its representative” and insert the phrase “person that submitted the filing” in its place.
- (9) Section 29-102.08 is amended as follows: Amend
§ 29-102.08
- (A) Subsection (a) is amended by striking the word “qualified” and inserting the word “registered” in its place.
- (B) Subsection (b) is amended as follows:
- (i) Paragraph (1) is amended by striking the word “qualified” and inserting the word “registered” in its place.
- (ii) Paragraph (2) is amended to read as follows:
- “(2) In the case of a domestic filing entity:
- “(A) That its public organic record has been filed and has taken effect;
- “(B) The date the public organic record became effective; and
- “(C) The period of the entity’s duration if the records of the Mayor reflect that its period of duration is less than perpetual;”.
- (iii) Paragraphs (3) through (5) are redesignated as paragraphs (4) through (6).
- (iv) A new paragraph (3) is added to read as follows:
- “(3) In the case of a registered foreign entity, that it is registered to do business in the District;”.
- (v) The newly designated paragraph (4) is amended by striking the phrase “, taxes,”.
- (vi) The newly designated paragraph (5) is amended by striking the word “and” after the semicolon.
- (vii) The newly designated paragraph (6) is amended as follows:
- (I) Strike the phrase “entity has not” and insert the phrase “records of the Mayor do not reflect that the entity has” in its place.
- (II) Strike the period and insert the phrase “; and” in its place.
- (viii) A new paragraph (7) is added to read as follows:
- “(7) That a dissolution proceeding under § 29-106.02 is not pending.”.

(C) Subsection (c) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(10) Section 29-102.09 is amended as follows:

Amend
§ 29-102.09

(A) The heading is amended by striking the phrase “constitutes affirmation” and inserting the phrase “of entity filing” in its place.

(B) Designate the existing text as subsection (a).

(C) New subsections (b) through (g) are added to read as follows:

“(b) Whenever this title requires a particular individual to sign an entity filing and the individual is deceased or incompetent, the filing may be signed by a personal representative of the individual on behalf of the individual.

“(c) A person that signs a record as an agent or legal representative thereby affirms as a fact that the person is authorized to sign the record.

“(d) If a person required by this title to sign or deliver a record to the Mayor for filing under this title does not do so, any other person that is aggrieved may petition the Superior Court to order:

“(1) The person to sign the record;

“(2) The person to deliver the record to the Mayor for filing; or

“(3) The Mayor to file the record unsigned.

“(e) If the petitioner under subsection (d) of this section is not the entity to which the record pertains, the petitioner shall make the entity a party to the action.

“(f) A record filed under subsection (d)(3) of this section is effective without being signed.

“(g) If a record delivered to the Mayor for filing under this title and filed by the Mayor contains inaccurate information, a person that suffers a loss by reliance on the information may recover damages for the loss from a person that signed the record or caused another to sign it on the person’s behalf and knew at the time the record was signed that the information was inaccurate.”.

(11) Section 29-102.10 is amended to read as follows:

Amend
§ 29-102.10

“§ 29-102.10. Delivery by Mayor

“Except as otherwise provided by § 29-106.02 or by law other than this title, the Mayor may deliver any record to a person by delivering it to the person that submitted it, to the address of the person’s registered agent, to the principal office address of the person, or to another address the person provides to the Mayor for delivery, or by delivering the record or notice by means of electronic transmission.”.

(12) Section 29-102.11 is amended as follows:

Amend
§ 29-101.11

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended by striking the word “qualified” and inserting the word “registered” in its place.

(ii) Paragraph (4) is amended to read as follows:

“(4) The name of at least one governor; and”.

(iii) Paragraph (5) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(B) Subsection (c) is amended by striking the phrase “domestic filing entity was formed” and inserting the phrase “public organic record of the domestic filing entity became effective, the statement of qualification of a domestic limited liability partnership became effective,” in its place.

(C) Subsection (d) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(13) Section 29-103.01 is amended as follows:

Amend
§ 29-103.01

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended by striking the phrase “filing entity or foreign limited liability partnership” and inserting the word “entity” in its place.

(ii) Paragraph (2) is amended by striking the phrase “filing entity or foreign limited liability partnership” and inserting the word “entity” in its place.

(B) Subsection (b) is amended to read as follows:

“(b) An entity may consent in a record to the use of its name by another registered entity, but the consenting entity must, in a form satisfactory to the Mayor, change its name so that it is distinguishable from any name in any category of names in subsection (a) of this section.”.

(C) Subsection (c) is amended by striking the phrase “limited partnership” and inserting the phrase ““limited partnership”, “LP”,” in its place.

(D) Subsection (d) is amended as follows:

(i) Strike the phrase “The holder of a name under subsection (a) of this section” and insert the phrase “An entity” in its place.

(ii) Strike the word “holder” and insert the word “entity” in its place.

(E) A new subsection (f) is added to read as follows:

“(f) An entity name shall not be the same as, or so deceptively similar to, the name of any department, agency, or instrumentality of the United States or the District of Columbia so as to mislead the public or cause confusion.”.

(14) Section 29-103.02 is amended as follows:

Amend
§ 29-103.02

(A) Subsection (e) is amended by adding a new sentence at the end to read as follows:

“The name of a partnership that is not a limited liability partnership may not contain these names or abbreviations.”,

(B) Subsection (i) is amended by striking the word “words” and inserting the phrase “words or abbreviations” in its place.

(15) Section 29-103.04 is amended as follows:

Amend
§ 29-103.04

(A) Subsection (c) is amended by striking the word “filing” and inserting the word “registration” in its place.

(B) Subsection (d) is amended by striking the phrase “registration year” and inserting the word “registration” in its place.

(C) Subsection (e) is amended to read as follows:

“(e) A foreign filing entity or foreign limited liability partnership with an effective name registration may register as a foreign filing entity or foreign limited liability partnership under its registered name, or may consent in a signed record to the use of that name by another entity.”.

(16) Section 29-104.01 is amended as follows:

Amend
§ 29-104.01

(A) Paragraph (1) is amended as follows:

(i) Strike the word “Appointment” and insert the word
“Designation” in its place;

(ii) Strike the phrase “appointing an agent for service of process
filed” and insert the phrase “designating a registered agent, that is delivered to the Mayor for
filing” in its place.

(iii) Strike the word “nonqualified” and insert the word
“nonregistered” in its place.

(B) Paragraphs (2) and (3) are repealed.

(C) Paragraphs (4) and (5) are redesignated as paragraphs (2) and (3),
respectively.

(D) The newly designated paragraph (2) is amended as follows:

(i) Subparagraph (B) is amended by striking the phrase
“nonresident limited liability partnership statement” and inserting the phrase “statement of
qualification of a domestic limited liability partnership” in its place.

(ii) Subparagraph (D) is amended by striking the phrase “An
appointment” and inserting the phrase “A designation” in its place.

(E) The newly designated paragraph (3) is amended as follows:

(i) Subparagraph (B) is amended by striking the phrase “qualified
registered foreign limited liability partnership that does not have an office in the District” and
inserting the phrase “limited liability partnership” in its place.

(ii) Subparagraph (C) is amended by striking the word “Qualified”
and inserting the word “Registered” in its place.

(iii) Subparagraph (D) is amended by striking the phrase “an
appointment of an agent has been filed” and inserting the phrase “a designation of an agent is in
effect” in its place.

(iv) Subparagraph (E) is amended by striking the phrase “an
appointment” and inserting the phrase “a designation” in its place.

(v) Subparagraph (F) is amended as follows:

(I) Strike the word “Nonqualified” and insert the word
“Nonregistered” in its place.

(II) Strike the phrase “an appointment” and insert the
phrase “a designation” in its place.

(17) Section 29-104.02 is amended as follows:

Amend
§ 29-104.02

(A) Paragraph (2) is amended by striking the phrase “that does not
maintain a place of business in the District”.

(B) Paragraph (3) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(18) Section 29-104.04 is amended as follows:

Amend
§ 29-104.04

(A) The heading is amended by striking the word “Appointment” and inserting the word “Designation” in its place.

(B) The lead-in language of subsection (a) is amended by striking the phrase “shall state” and inserting the phrase “shall be signed by the entity and state” in its place.

(C) Subsection (b) is amended by striking the word “appointment” and inserting the word “designation” in its place.

(19) Section 29-104.05 is amended as follows:

Amend
§ 29-104.05

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the phrase “filing with the Mayor” and insert the phrase “delivering to the Mayor for filing” in its place.

(II) Strike the phrase “or on behalf of”.

(ii) Paragraph (1) is amended by striking the word “Type” and inserting the word “type” in its place.

(iii) Paragraph (3) is amended by striking the phrase “and other notice and documents” and inserting the phrase “, notices, and demands” in its place.

(B) Subsection (b) is amended by striking the phrase “and other notice and documents” and inserting the phrase “, notices, and demands” in its place.

(C) Subsection (c) is amended by striking the word “filing” and inserting the phrase “delivering to the Mayor for filing” in its place.

(D) Subsection (d) is repealed.

(E) Subsection (e) is redesignated as subsection (d).

(F) The newly designated subsection (d) is amended to read as follows:

“(d) The Mayor shall note the filing of the commercial registered agent listing statement in the records maintained by the Mayor for each entity represented by the agent at the time of the filing. The statement has the effect of amending the registered agent filing for each of those entities to:

“(1) Designate the person becoming listed as the commercial registered agent of each of those entities; and

“(2) Delete the address of the former agent from the registered agent filing of each of those entities.”.

(20) Section 29-104.06 is amended as follows:

Amend
§ 29-104.06

(A) Subsection (a) is amended by striking the phrase “or on behalf of”.

(B) Subsection (d) is amended as follows:

(i) Strike the phrase “an agent for service of process on” and insert the phrase “a registered agent for” in its place.

(ii) Strike the word “appoints” and insert the word “designates” in its place.

(21) Section 29-104.07 is amended as follows:

Amend
§ 29-104.07

(A) Subsection (a) is amended by striking the phrase “signed by” and inserting the phrase “signed on behalf of” in its place.

(B) Subsection (b)(2) is amended by striking the phrase “registered office” and inserting the phrase “registered office, if any,” in its place.

(C) Subsection (c) is amended by striking the word “appointing” and inserting the word “designating” in its place.

(D) Subsection (d) is repealed.

(E) Subsection (e) is redesignated as subsection (d).

(22) Section 29-104.08 is amended as follows:

Amend
§ 29-104.08

(A) The heading is amended by striking the phrase “or address” and inserting the phrase “, address, type of entity, or jurisdiction of formation” in its place.

(B) Subsection (a) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the word “or” and insert a comma in its place.

(II) Strike the phrase “§ 29-104.04(a),” and insert the phrase “§ 29-104.04(a), its type of entity, or its jurisdiction of formation,” after the phrase.

(III) Strike the phrase “or on behalf of”.

(ii) Paragraph (2) is amended by inserting the phrase “in effect with respect to the entity” after the word “agent”.

(iii) Paragraph (3) is amended by striking the word “and”.

(iv) Paragraph (4) is amended by striking the period and inserting the phrase “; and” in its place.

(v) A new paragraph (5) is added to read as follows:

“(5) If the agent is an entity:

“(A) If the type of entity has changed, the new type of entity; and

“(B) If the jurisdiction of formation has changed, the new jurisdiction of formation.”.

(C) Subsection (b) is repealed.

(D) Subsection (c) is redesignated as subsection (b).

(23) Section 29-104.09 is amended as follows:

Amend
§ 29-104.09

(A) Subsection (a) is amended by striking the phrase “or on behalf of”.

(B) Subsection (b) is amended by striking the phrase “delivery to the Mayor for filing by a commercial registered agent” and inserting the phrase “filing by the Mayor” in its place.

(C) Subsection (c) is amended by striking the phrase “delivery to the Mayor for filing” and inserting the phrase “filing by the Mayor” in its place.

(D) Subsection (d)(1) is amended as follows:

(i) Strike the phrase “an agent for service of process on” and insert the phrase “a registered agent for” in its place.

(ii) Strike the word “appoints” and insert the word “designates” in its place.

(24) Section 29-104.10 is amended as follows:

Amend
§ 29-104.10

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended by striking the phrase “or on behalf of”.

(ii) Paragraph (3) is amended by striking the phrase “agent for service of process” and inserting the phrase “the registered agent” in its place.

(B) Subsection (b) is amended as follows:

(i) Strike the phrase “delivered to the Mayor for filing” and insert the phrase “filed by the Mayor” in its place.

(ii) Strike the word “appointment” and insert the word “designation” in its place.

(C) Subsection (c) is amended by striking the phrase “delivered to the Mayor for filing” and inserting the phrase “filed by the Mayor” in its place.

(D) Subsection (d) is amended as follows:

(i) Insert the phrase “under this subchapter” after the word “responsibility”.

(ii) Insert the word “thereafter” after the word “matter”.

(25) Section 29-104.11 is amended as follows:

Amend
§ 29-104.11

(A) The heading is amended as follows:

(i) Strike the word “Appointment” and insert the word “Designation” in its place.

(ii) Strike the word “nonqualified” and insert the word “nonregistered” in its place.

(B) Subsection (a) is amended as follows

(i) Strike the word “nonqualified” and insert the word “nonregistered” in its place.

(ii) Strike the word “appointing” and insert the word “designating” in its place.

(iii) Strike the phrase “on behalf of” and insert the word “by” in its place.

(C) Subsection (b) is amended by striking the phrase “appointing a registered agent shall be” and inserting the phrase “designating a registered agent under subsection (a) of this section is” in its place.

(D) Subsection (c) is amended as follows:

(i) Strike the word “Appointment” and insert the word “Designation” in its place.

(ii) Strike the phrase “this section shall not qualify a” and insert the phrase “subsection (a) of this section does not register a nonregistered” in its place.

(E) Subsection (d) is amended by striking the phrase “appointing a registered agent shall” and inserting the phrase “designating a registered agent under subsection (a) of this section may” in its place.

(F) Subsection (e) is amended as follows:

(i) Strike the word “appointing” and insert the word “designating” in its place.

(ii) Strike the phrase “appointment of an agent for service of process” and insert the phrase “designation of a registered agent” in its place.

(G) Subsection (f) is amended as follows:

(i) Strike the phrase “appointing a registered agent” and insert the phrase “designating a registered agent under subsection (a) of this section” in its place.

(ii) Strike the word “nonqualified” and insert the word “nonregistered” in its place.

(iii) Strike the word “qualified” and insert the word “registered” in its place.

(H) A new subsection (g) is added to read as follows:

“(g) A statement under subsection (a) of this section must be signed by a person authorized to manage the affairs of the nonregistered foreign entity or domestic nonfiling entity and by the person designated as the agent. The signing of the statement is an affirmation of fact that the person is authorized to manage the affairs of the entity and that the agent has consented to serve.”.

(26) Section 29-104.12 is amended as follows:

Amend
§ 29-104.12

(A) Subsection (b) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the phrase “an entity that delivered to the Mayor for filing a registered-agent filing no longer has” and insert the phrase “a represented entity ceases to have” in its place.

(II) Strike the phrase “governors of the entity by name” and insert the word “entity” in its place.

(III) Strike the phrase “names of the governors and the”.

(IV) Strike the phrase “may be as shown in the” and insert the phrase “shall be shown as in the entity’s” in its place.

(V) Strike the phrase “filed with” and insert the phrase “filed by” in its place.

(ii) Paragraph (2) is amended by striking the phrase “on behalf of” and inserting the word “by” in its place

(B) Subsection (c) is amended by striking the word “appointment” and inserting the word “designation” in its place.

(C) Subsection (d) is amended as follows:

(i) Strike the phrase “If a represented entity” and insert the phrase “If an entity” in its place.

(ii) Strike the word “appoint” and insert the word “designate” in its place.

(iii) Strike the phrase “If a represented entity’s” and insert the phrase “If an entity’s” in its place.

(iv) Strike the phrase “registered agent for the represented entity cannot be found” and insert the phrase “registered agent for the entity cannot be found” in its place.

(27) Section 29-104.13 is amended by striking the phrase “duties of a registered agent shall be” and inserting the phrase “only duties of a registered agent under this subchapter are” in its place.

Amend
§ 29-104.13

(28) Section 29-104.14 is amended by striking the word “appointment” and inserting the word “designation” in its place.

Amend
§ 29-104.14

(29) Section 29-105.02 is amended as follows:

Amend
§ 29-105.02

(A) Subsection (b) is amended by striking the phrase “shall not maintain an action” and inserting the phrase “may not maintain an action or proceeding” in its place.

(B) Subsection (c) is amended by striking the phrase “a proceeding” and inserting the phrase “an action or proceeding” in its place.

(30) Section 29-105.03 is amended as follows:

Amend
§ 29-105.03

(A) The lead-in language is amended by striking the phrase “shall state” and inserting the phrase “shall be signed by the entity and state” in its place.

(B) Paragraph (4) is amended by striking the phrase “foreign filing entity or foreign limited liability partnership” and inserting the word “entity” in its place.

(31) Section 29-105.04 is amended by striking the phrase “foreign entity registered to do business in the District” and inserting the phrase “registered foreign entity” in its place.

Amend
§ 29-105.04

(32) Section 29-105.05 is amended as follows:

Amend
§ 29-105.05

(A) Subsection (a) is amended as follows:

(i) Paragraph (1) is amended by striking the phrase “a proceeding” and inserting the phrase “an action or proceeding” in its place.

(ii) Paragraph (4) is amended to read as follows:

“(4) Maintaining offices or agencies for the transfer, exchange, and registration of interests of the entity or maintaining trustees or depositories with respect to those interests;”.

(B) A new subsection (c) is added to read as follows:

“(c) A person does not do business in the District solely by being an interest holder or governor of a foreign entity that does business in the District.”.

(33) Section 29-105.06 is amended as follows:

Amend
§ 29-105.06

(A) Subsection (a) is amended by striking the phrase “foreign filing entity or foreign limited liability partnership” wherever it appears and inserting the phrase “registered foreign entity” in its place.

(B) Subsection (b) is amended by striking the phrase “foreign filing entity registered to do business in the District” and inserting the phrase “registered foreign entity” in its place.

(34) Section 29-105.07 is amended as follows:

Amend
§ 29-105.07

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the phrase “foreign entity registered to do business in the District” and insert the phrase “registered foreign entity” in its place.

(II) Strike the phrase “shall state” and insert the phrase “shall be signed by the entity and state” in its place.

(ii) Paragraph (4) is amended by striking the phrase “on its behalf” and inserting the phrase “on its behalf in the District” in its place.

(B) Subsection (b) is amended by striking the word “proceeding” and inserting the phrase “action or proceeding” in its place.

(35) Section 29-105.08 is amended as follows:

Amend
§ 29-105.08

(A) Strike the phrase “qualified foreign entity registered to do business in the District which” and insert the phrase “registered foreign entity that” in its place.

(B) Strike the phrase “domestic registered” and insert the word “domestic” in its place.

(36) Section 29-105.09(a) is amended as follows:

Amend
§ 29-105.09

(A) The lead-in language is amended as follows:

(i) Strike the phrase “foreign entity registered to do business in the District which dissolves or converts” and insert the phrase “registered foreign entity that has dissolved and completed winding up or that has converted” in its place.

(ii) Strike the phrase “shall state” and insert the phrase “shall be signed by the entity and state” in its place.

(B) Paragraph (3) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(37) Section 29-105.10 is amended as follows:

Amend
§ 29-105.10

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the phrase “foreign filing entity or foreign limited liability partnership registered to do business in the District that merges with or converts” and insert the phrase “registered foreign entity that merges into a nonregistered foreign entity or converts” in its place.

(II) Strike the phrase “shall state” and insert the phrase “shall be signed by the entity and state” in its place.

(ii) Paragraph (1) is amended by striking the phrase “applicant entity” and inserting the phrase “registered foreign entity before merger or conversion” in its place.

(iii) Paragraph (3) is amended by striking the phrase “entity into which it has merged or to which it has been converted” and inserting the phrase “applicant entity” in its place.

(iv) Paragraph (4) is amended by striking the phrase “of entity into which it has merged or to which it has been converted and the jurisdiction whose law governs its internal affairs” and inserting the phrase “of applicant entity and its jurisdiction of formation” in its place.

(v) Paragraph (5) is amended as follows:

(I) The lead-in language is amended as follows:

(aa) Strike the phrase “entity into which it has merged or to which it has been converted” and insert the phrase “applicant entity” in its place.

(bb) Strike the phrase “applicant entity” and insert the phrase “foreign entity before the merger or conversion” in its place.

(II) Subparagraph (B) is amended by striking the phrase “name and street and mailing address of its registered agent in the District” and inserting the phrase “information required by § 29-104.04(a)” in its place.

(B) Subsection (b) is repealed.

(C) Subsection (c) is redesignated as subsection (b).

(D) The newly designated subsection (b) is amended by striking the word “applicant” and inserting the phrase “registered foreign” in its place.

(38) Section 29-105.11 is amended as follows:

**Amend
§ 29-105.11**

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended by striking the phrase “foreign filing entity or foreign limited liability partnership to do business in the District” and inserting the phrase “registered foreign entity” in its place.

(ii) Paragraph (1) is amended by striking the phrase “, tax,”.

(iii) Paragraph (2) is amended as follows:

(I) Strike the phrase “required of foreign entities of this type” and insert the phrase “a biennial report” in its place.

(II) Strike the word “or”.

(iv) Paragraph (3) is amended by striking the period and inserting the phrase “; or” in its place.

(v) A new paragraph (4) is added to read as follows:

“(4) Deliver to the Mayor for filing a statement of change under § 29-104.07 not later than 30 days after a change occurs in the name or address of the entity’s registered agent.”.

(B) Subsection (b) is amended as follows:

(i) Strike the phrase “may terminate” and insert the phrase “shall terminate” in its place.

(ii) Strike the phrase “foreign filing entity or foreign limited liability partnership” and insert the phrase “registered foreign entity” in its place.

(iii) Strike the phrase “filing a notice of termination or”.

(iv) Strike the phrase “by delivering” and insert the phrase “may deliver” in its place.

(C) Subsection (c) is amended as follows:

(i) Strike the phrase “foreign filing entity or foreign limited liability partnership” and insert the phrase “registered foreign entity” in its place.

(ii) Add the phrase “or notation filed under subsection (b) of this section” after the phrase “notice of termination”.

(iii) Strike the phrase “filed under subsection (b) of this section” and insert the phrase “or notation” in its place.

(39) Section 29-106.01 is amended as follows:

**Amend
§ 29-106.01**

(A) Paragraph (1) is amended by striking the phrase “, tax,”.

(B) Paragraph (2) is amended by striking the number “6” and inserting the number “5” in its place.

(40) Section 29-106.02 is amended as follows:

**Amend
§ 29-106.02**

(A) Subsection (b) is amended as follows:

(i) Strike the phrase “is effected under § 29-104.12, does not correct” and insert the phrase “required by subsection (a) of this section does not cure” in its place.

(ii) Strike the phrase “the original of”.

(B) Subsection (c) is amended as follows:

(i) Strike the word “business” after the word “any” and insert the phrase “activities or affairs” in its place.

(ii) Strike the phrase “wind up and liquidate its business and affairs” and insert the phrase “wind up its activities and affairs and liquidate its assets” in its place.

(41) Section 29-106.03 is amended as follows:

**Amend
§ 29-106.03**

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended by striking the phrase “shall state” and inserting the phrase “shall be signed by the entity and state” in its place.

(ii) Paragraph (4) is amended by striking the word “eliminated” and inserting the word “cured” in its place.

(B) Subsection (b) is amended by striking the phrase “, taxes,” wherever it appears.

(C) Subsection (c) is amended as follows:

(i) Strike the phrase “the application” and insert the phrase “an application under subsection (a) of this section” in its place; and

(ii) Strike the phrase “the original of”.

(D) Subsection (d) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(42) Section 29-107.01 is amended as follows:

**Amend
§ 29-107.01**

(A) Subsection (b) is amended to read as follows:

“(b) The following rules apply to a corporation formed in the District before the effective date of the District of Columbia Business Corporations Act, approved June 8, 1954 (Pub. L. 83-389; 68 Stat. 179), or the District of Columbia Nonprofit Corporation Act, approved August 6, 1962 (Pub. L. No. 87-569; 76 Stat. 265), which did not elect to avail itself of the provisions of those acts:

“(1) Until January 1, 2014, the corporation shall be governed by the statute under which it was formed as if that statute had not been repealed by this act.

“(2) Before January 1, 2014, the corporation may elect to avail itself of the provisions of this title by adopting a resolution making this election, and by delivering to the Mayor for filing a copy of the resolution and a copy of the corporation’s articles of incorporation. Upon filing by the Mayor of the resolution and articles, the corporation shall be deemed to exist under this title. The corporation shall file a biennial report, as required by § 29-102.11, by the next April 1 following the date of delivery of the resolution and articles to the Mayor for filing.

“(3) A corporation that has not previously elected to avail itself of the provisions of this title by April 1, 2014, pursuant to paragraph (2) of this subsection and desires to do business in the District is subject to this title to the extent that it shall be required to file a biennial report under § 29-102.11, a copy of its articles of incorporation, and the names and addresses of its current directors and officers and designate a registered agent. The corporation shall file biennial reports under § 29-102.11 every 2 years thereafter.

“(4) Any corporation that does not fully comply with either paragraph (2) or (3) of this subsection shall become otherwise subject to this title by January 1, 2014 and is thereafter barred from asserting that it is not subject to this title.”.

(B) A new subsection (c) is added to read as follows:

“(c)(1) Notwithstanding subsections (a) and (b) of this section, any nonprofit corporation chartered by a special act of Congress may elect to become a domestic nonprofit corporation under this title or to register as a corporation chartered by special act of Congress.

“(2) The corporation may elect to avail itself of the provisions of this title by adopting a resolution making this election, and by delivering to the Mayor for filing a copy of the resolution and a copy of the corporation’s congressional charter and subsequent amendments and by filing restated articles of incorporation. Upon filing by the Mayor of the resolution and articles, the corporation shall be deemed to exist under this title. In the event such election is made, to the extent the provisions of this title, including chapter 4 (the Nonprofit Corporations Act of 2010), are inconsistent with such nonprofit corporation’s congressional charter or its bylaws, the provisions of such nonprofit corporation’s congressional charter and bylaws shall prevail.

“(3) If the corporation does not elect to avail itself to the provisions of this title pursuant to paragraph (2) of this subsection, the corporation shall register with the Mayor by delivering a statement that contains the corporation’s name, date of formation, name and address of one governor, name and address of its registered agent and copy of its federal charter and subsequent amendments by January 1, 2014. Once registered, the corporation shall file biennial

reports as required by section § 29-102.11 and maintain its registered agent as required by §29-104.04.

“(4) Neither the issuance of a certificate of election pursuant to paragraph (2) of this subsection nor the issuance of certificate of registration pursuant to paragraph (3) of this subsection to a corporation created under the provisions of a special act of Congress, nor the adoption of any amendment pursuant to this title, shall release or terminate any duty or obligation expressly imposed upon any such corporation under and by virtue of the special act of Congress under which it was created or any amendment made thereto, nor enlarge any right, power, or privilege granted any such corporation by such special act except to the extent that such right, power, or privilege might have been included in the articles of a corporation organized under this title.”.

(b) Chapter 2 is amended as follows:

Chapter 2
Amend
§ 29-201.02

(1) Section 29-201.02 is amended as follows:

(A) Paragraph (6) is amended by striking the word “organization” and inserting the word “formation” in its place.

(B) Paragraph (9) is amended by striking the word “organization” and inserting the word “formation” in its place.

(C) Paragraph (13) is repealed.

(D) Paragraphs (14) through (16) are redesignated as paragraphs (13) through (15), respectively.

(E) Paragraph (17) is redesignated as paragraph (20).

(F) Paragraph (18) is redesignated as paragraph (25).

(G) A new paragraph (16) is added to read as follows:

“(16) “Plan of conversion” means a plan under § 29-204.02.”.

(H) A new paragraph (17) is added to read as follows:

“(17) “Plan of domestication” means a plan under § 29-205.02.”.

(I) A new paragraph (18) is added to read as follows:

“(18) “Plan of interest exchange” means a plan under § 29-203.02.”.

(J) A new paragraph (19) is added to read as follows:

“(19) “Plan of merger” means a plan under § 29-202.02.”.

(K) A new paragraph (21) is added to read as follows:

“(21) “Statement of conversion” means a statement under § 29-204.05.”.

(L) A new paragraph (22) is added to read as follows:

“(22) “Statement of domestication” means a statement under § 29-205.05.”.

(M) A new paragraph (23) is added to read as follows:

“(23) “Statement of interest exchange” means a statement under § 29-203.05.”.

(N) A new paragraph (24) is added to read as follows:

“(24) “Statement of merger” means a statement under § 29-202.05.”.

(O) The newly designated paragraph (25) is amended by striking the period and inserting the phrase “under subchapter 2 of this chapter.” in its place.

(2) Section 29-201.04 is amended as follows:

Amend
§ 29-201.04

(A) Subsection (a) is amended by striking the word “officer” and inserting the phrase “District Government official” in its place.

(B) Subsection (b) is amended by striking the phrase “or devised,” and inserting the phrase “devised, or otherwise transferred,” in its place.

(C) A new subsection (c) is added to read as follows:

“(c) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance that is made to a merging entity that is not the surviving entity and that takes effect or remains payable after the merger inures to the surviving entity. A trust obligation that would govern property if transferred to the nonsurviving entity applies to property that is transferred to the surviving entity under this section.”.

(3) Section 29-201.05 is amended by striking the word “document” wherever it appears and inserting the word “record” in its place.

Amend
§ 29-201.05

(4) Section 29-202.01 is amended as follows:

Amend
§ 29-202.01

(A) Subsection (b) is amended by striking the word “organization” and inserting the word “formation” in its place.

(B) Subsection (c) is amended as follows:

(i) Strike the word “organization” and insert the word “formation” in its place.

(ii) Paragraph (9) is amended by striking the phrase “Subchapter XII” and inserting the phrase “Subchapter VII” in its place.

(6) Section 29-202.02(a) is amended as follows:

Amend
§ 29-202.02

(A) Paragraph (1) is amended by striking the phrase “organization, and type” and inserting the phrase “formation, and type” in its place.

(B) Paragraph (2) is amended by striking the phrase “organization, and type” and inserting the phrase “formation, and type” in its place.

(C) Paragraph (3) is amended by striking the word “cash” and inserting the word “money” in its place.

(D) Paragraph (4) is amended by striking the word “document” and inserting the word “record” in its place.

(E) Paragraph (5) is amended by striking the word “document” and inserting the word “record” in its place.

(F) Paragraph (7) is amended by striking the word “organization” and inserting the word “formation” in its place.

(7) Section 29-202.03 is amended as follows:

Amend
§ 29-202.03

(A) Subsection (a)(2) is amended by striking the word “liabilities” and inserting the phrase “debts, obligations, and other liabilities” in its place.

(B) Subsection (b) is amended as follows:

(i) Strike the word “merger” and insert the phrase “merger under this chapter” in its place.

(ii) Strike the phrase “shall not be effective” and insert the phrase “is not effective” in its place.

(iii) Strike the word “organization” and insert the word “formation” in its place.

(8) Section 29-202.04 is amended as follows:

Amend
§ 29-202.04

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the phrase “of a domestic merging entity”.

(II) Strike the colon and insert the phrase “only with the consent of each party to the plan, except as otherwise provided in the plan.” in its place.

(III) Add a new sentence at the end to read as follows:

“A domestic merging entity may approve an amendment of a plan of merger.”.

(ii) Paragraph (2) is amended as follows:

(I) Subparagraph (A) is amended by striking the word “cash” and inserting the word “money” in its place.

(II) Subparagraph (B) is amended by striking the word “document” and inserting the phrase “record, if any,” in its place.

(B) Subsection (b) is amended as follows:

(i) The lead-in language is amended by striking the phrase “by a domestic merging entity”.

(ii) Paragraph (2) is amended by striking the phrase “by the plan,” and inserting the phrase “by the plan, by a domestic merging entity” in its place.

(C) Subsection (c) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the phrase “filed with the Mayor” wherever it appears and insert the phrase “delivered to the Mayor for filing” in its place.

(II) Strike the phrase “the filing” and insert the phrase “the statement of merger” in its place.

(III) Strike the phrase “on behalf of a merging entity” and insert the phrase “by a party to the plan” in its place.

(IV) Strike the phrase “upon filing” and insert the phrase “upon filing by the Mayor” in its place.

(ii) Paragraph (1) is amended by striking the phrase “merging or surviving entity that is a domestic or a qualified foreign entity” and inserting the phrase “party to the plan of merger” in its place.

(9) Section 9-202.05 is amended as follows:

Amend
§ 29-202.05

(A) Subsection (a) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

(B) Subsection (b) is amended as follows:

(i) Paragraph (1) is amended by striking the phrase “organization, and type” and inserting the phrase “formation, and type of entity” in its place.

(ii) Paragraph (2) is amended by striking the phrase “organization, and type” and inserting the phrase “formation, and type of entity” in its place.

(iii) Paragraph (4) is amended by striking the word “organization” and inserting the word “formation” in its place.

(iv) Paragraph (5) is amended by striking the word “document” and inserting the word “record” in its place.

(v) Paragraph (8) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(C) Subsection (d) is amended by striking the word “document” wherever it appears and inserting the word “record” in its place.

(D) Subsection (e) is amended as follows:

(i) Strike the phrase “filed with the Mayor” and insert the phrase “delivered to the Mayor for filing” in its place.

(ii) Strike the word “filing” and insert the phrase “filing by the Mayor” in its place.

(10) Section 29-202.06 is amended as follows:

**Amend
§ 29-202.06**

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended by striking the word “merger” and inserting the phrase “merger under this chapter” in its place.

(ii) Paragraph (3) is amended by striking the word “assignment” and inserting the word “transfer” in its place.

(iii) Paragraph (4) is amended as follows:

(I) Strike the phrase “all liabilities” and insert the phrase “All debts, obligations, and other liabilities” in its place.

(II) Strike the word “liabilities” and insert the phrase “the debts, obligations, and other liabilities” in its place.

(iv) Paragraph (6) is amended as follows:

(I) Subparagraph (A) is amended by striking the word “reversion” and inserting the phrase “transfer, reversion,” in its place.

(II) Subparagraph (B) is amended by striking the word “liabilities” and inserting the phrase “debts, obligations, and other liabilities” in its place.

(v) Paragraph (8)(A) is amended as follows:

(I) Strike the word “document” and insert the word “record” in its place.

(II) Strike the phrase “and is binding on its interest holders.” and inserting the phrase “is effective” in its place.

(vi) Paragraph (9)(A) is amended by striking the word “document” and inserting the word “record” in its place.

(B) Subsection (b) is amended by striking the phrase “the merger shall” and inserting the phrase “a merger under this chapter does” in its place.

(C) Subsection (c) is amended as follows:

(i) Strike the word “merger” the first time it appears and insert the phrase “merger under this chapter” in its place.

(ii) Strike the word “liabilities” and insert the phrase “debts, obligations, and other liabilities” in its place.

(D) Subsection (d)(4) is amended by striking the phrase “the organic law or” and inserting the phrase “law other than this title or the” in its place.

(E) Subsection (e) is amended by striking the word “merger” and inserting the phrase “merger under this chapter” in its place.

(F) Subsection (f) is amended as follows:

(i) Strike the word “merger” and insert the phrase “merger under this chapter” in its place.

(ii) Strike the phrase “certificate of registration or other foreign qualification” and insert the phrase “registration to do business in the District” in its place.

(11) Section 29-203.01 is amended as follows:

**Amend
§ 29-203.01**

(A) Subsection (a)(2) is amended by striking the word “cash” and inserting the word “money” in its place.

(B) Subsection (b) is amended by striking the word “organization” and inserting the word “formation” in its place.

(12) Section 29-203.02(a) is amended as follows:

**Amend
§ 29-203.02**

(A) Paragraph (1) is amended by striking the word “type” and inserting the phrase “type of entity” in its place.

(B) Paragraph (2) is amended by striking the phrase “organization, and type” and inserting the phrase “formation, and type” in its place.

(C) Paragraph (3) is amended by striking the word “cash” and inserting the word “money” in its place.

(D) Paragraph (4) is amended by striking the word “document” and inserting the phrase “record, if any,” in its place.

(13) Section 29-203.03(b) is amended by striking the word “organization” and inserting the word “formation” in its place.

**Amend
§ 29-203.03**

(14) Section 29-203.04 is amended as follows:

**Amend
§ 29-203.04**

(A) Subsection (a) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the phrase “of a domestic acquired entity”.

(II) Strike the colon and insert the phrase “only with the consent of each party to the plan, except as otherwise provided in the plan.” in its place.

(III) Add a new sentence to read as follows:

“A domestic acquired entity may approve an amendment of a plan of interested exchange.”.

(ii) Paragraph (2) is amended as follows:

(I) Subparagraph (A) is amended by amending by striking the word “cash” and inserting the word “money” in its place.

(II) Subparagraph (B) is amended by striking the word “document” and inserting the word “record” in its place.

(B) Subsection (c) is amended as follows:

(i) Strike the phrase “filed with the Mayor” the first time it appears and insert the phrase “delivered to the Mayor for filing” in its place.

(ii) Strike the phrase “the filing” and insert the phrase “the statement of interest exchange” in its place.

(iii) Strike the phrase “on behalf of the acquired entity” and insert the phrase “by a party to the plan” in its place.

(iv) Strike the phrase “filed with the Mayor” the second time it appears and insert the phrase “delivered to the Mayor for filing” in its place.

(v) Strike the phrase “upon filing” and inserting the phrase “upon filing by the Mayor” in its place.

(15) Section 29-203.05 is amended as follows:

**Amend
§ 29-203.05**

(A) Subsection (a) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

(B) Subsection (b) is amended as follows:

(i) Paragraph (2) is amended by striking the phrase “organization, and type” and inserting the phrase “formation, and type of entity” in its place.

(ii) Paragraph (5) is amended by striking the word “document” and inserting the word “record” in its place.

(C) Subsection (d) is amended as follows:

(i) Strike the phrase “filed with the Mayor” and insert the phrase “delivered to the Mayor for filing” in its place.

(ii) Strike the word “filing” and insert the phrase “filing by the Mayor” in its place.

(16) Section 29-203.06 is amended as follows:

**Amend
§ 29-203.06**

(A) Subsection (a)(3) is amended by striking the word “document” and inserting the word “record” in its place.

(B) Subsection (d)(4) is amended by striking the phrase “the organic law or” and inserting the phrase “law other than this title or the” in its place.

(17) Section 29-204.01(b) is amended by striking the word “organization” and inserting the word “formation” in its place.

**Amend
§ 29-204.01**

(18) Section 29-204.02(a) is amended as follows:

**Amend
§ 29-204.02**

(A) Paragraph (2) is amended by striking the phrase “organization and type” and inserting the phrase “formation, and type of entity” in its place.

(B) Paragraph (3) is amended by striking the word “cash” and inserting the word “money” in its place.

(C) Paragraph (4) is amended by striking the word “document” and inserting the word “record” in its place.

(19) Section 29-204.03(b) is amended by striking the word “organization” and inserting the word “formation” in its place.

**Amend
§ 29-204.03**

(20) Section 29-204.04 is amended as follows:

**Amend
§ 29-204.04**

(A) Subsection (a)(2) is amended as follows:

(i) Subparagraph (A) is amended by striking the word “cash” and inserting the word “money” in its place.

(ii) Subparagraph (B) is amended by striking the word “document” and inserting the word “record” in its place.

(B) Subsection (c) is amended as follows:

(i) Strike the phrase “filed with the Mayor” the first time it appears and insert the phrase “delivered to the Mayor for filing” in its place.

(ii) Strike the phrase “the filing” and insert the phrase “the statement of conversion” in its place.

(iii) Strike the phrase “filed with the Mayor” the second time it appears and insert the phrase “delivered to the Mayor for filing” in its place.

(iv) Strike the phrase “upon filing” and insert the phrase “upon filing by the Mayor” in its place.

(21) Section 29-204.05

**Amend
§ 29-204.05**

(A) Subsection (a) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

(B) Subsection (b) is amended as follows:

(i) Paragraph (1) is amended by striking the phrase “organization, and type” and inserting the phrase “formation, and type of entity” in its place.

(ii) Paragraph (2) is amended by striking the phrase “organization, and type” and inserting the phrase “formation, and type of entity” in its place.

(iii) Paragraph (4) is amended by striking the word “organization” and inserting the word “formation” in its place.

(iv) Paragraph (5) is amended by striking the word “document” and inserting the word “record” in its place.

(v) Paragraph (7) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(C) Subsection (d) is amended by striking the word “document” wherever it appears and inserting the word “record” in its place.

(D) Subsection (e) is amended as follows:

(i) Strike the phrase “filed with the Mayor” and insert the phrase “delivered to the Mayor for filing” in its place.

(ii) Strike the phrase “upon filing” and insert the phrase “upon filing by the Mayor” in its place.

(22) Section 29-204.06 is amended as follows:

**Amend
§ 29-204.06**

(A) Subsection (a) is amended as follows:

(i) Paragraph (1)(A) is amended by striking the word “Organized” and inserting the word “Formed” in its place.

(ii) Paragraph (2) is amended by striking the word “assignment” and inserting the word “transfer” in its place.

(iii) Paragraph (3) is amended by striking the phrase “continue as liabilities” and inserting the phrase “continue as debts, obligations, or other liabilities” in its place.

(iv) Paragraph (6) is amended by striking the word “document” and inserting the word “record” in its place.

(B) Subsection (f) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(C) A new subsection (h) is added to read as follows:

“(h) When a conversion becomes effective, the following rules apply:

“(1) Subject to paragraph (3) of this subsection, the recordation tax imposed by section 303 of the District of Columbia Deed Recordation Tax Act, approved March 2, 1962 (76 Stat. 12; D.C. Official Code § 42-1103), or the transfer tax imposed by § 47-903, shall not be imposed, in connection with the conversion of a converting entity to a converted entity, upon the following:

“(A) The filing of the public organic document of the converted entity;

“(B) The recordation of a deed reflecting that the converted entity has become the legal title holder; or

“(C) The transfer of title or other interest in real property from the converting entity to the converted entity.

“(2) The tax exemptions enumerated in paragraph (1) of this subsection shall only be applicable if:

“(A) The interest holders of the converted entity are identical to the interest holders of the converting entity;

“(B) Each interest holder’s allocation of the profits and losses of the converted entity is identical to the interest holder’s allocation of the profits and losses of the converting entity; and

“(C) There is no change in the interest holders of the converted entity or in the allocation to any interest holder in the profits and losses of the converted entity during the 12-month period following the effective date of the conversion, other than by reason of the death of an interest holder or the involuntary dissolution of the converted entity.”

“(3) The tax exemptions enumerated in paragraph (1) of this subsection shall be effective regardless of whether the deed or transfer to the converted entity is from nominees or trustees for the converting entity or from the converting entity itself.”.

(23) Section 29-205.01 is amended as follows:

(A) Subsection (b) is amended by striking the word “organization” and inserting the word “formation” in its place.

(B) Subsection (c) is repealed.

(C) Subsections (d) and (e) are redesignated as subsections (c) and (d), respectively.

(D) The newly designated subsection (d) is amended as follows:

(i) The lead-in language is amended by striking the phrase “The following entities shall not engage in a domestication under this subchapter” and inserting the phrase “This subchapter does not apply to the domestication of the following entities” in its place.

(24) Section 29-205.02(a) is amended as follows:

Amend
§ 29-205.02

(A) Paragraph (2) is amended by striking the word “organization” and inserting the word “formation” in its place.

(B) Paragraph (3) is amended by striking the word “cash” and inserting the word “money” in its place.

(C) Paragraph (4) is amended by striking the word “document” and inserting the word “record” in its place.

(25) Section 29-205.03(b) is amended by striking the word “organization” and inserting the word “formation” in its place.

Amend
§ 29-205.03

(26) Section 29-205.04 is amended as follows:

Amend
§ 29-205.04

(A) Subsection (a)(2) is amended as follows:

(i) Subparagraph (A) is amended by striking the word “cash” and inserting the word “money” in its place.

(ii) Subparagraph (B) is amended by striking the word “document” and inserting the word “record” in its place.

(B) Subsection (c) is amended as follows:

(i) Strike the phrase “filed with the Mayor” the first time it appears and insert the phrase “delivered to the Mayor for filing” in its place.

(ii) Strike the phrase “the filing” and insert the phrase “the statement of domestication” in its place.

(iii) Strike the phrase “filed with the Mayor” the second time it appears and insert the phrase “delivered to the Mayor for filing” in its place.

(iv) Strike the phrase “upon filing” and insert the phrase “upon filing by the Mayor” in its place.

(27) Section 29-205.05 is amended as follows:

Amend
§ 29-205.05

(A) Subsection (a) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

(B) Subsection (b) is amended as follows:

(i) Paragraph (1) is amended by striking the phrase “organization, and type” and inserting the phrase “formation, and type” in its place.

(ii) Paragraph (2) is amended by striking the word “organization” and inserting the word “formation” in its place.

(iii) Paragraph (4) is amended by striking the word “organization” and inserting the word “formation” in its place.

(iv) Paragraph (5) is amended by striking the word “document” and inserting the word “record” in its place.

(v) Paragraph (7) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(C) Subsection (d) is amended by striking the word “document” wherever it appears and inserting the word “record” in its place.

(D) Subsection (e) is amended as follows:

(i) Strike the phrase “filed with the Mayor” and insert the phrase “delivered to the Mayor for filing” in its place.

(ii) Strike the phrase “upon filing” and insert the phrase “upon filing by the Mayor” in its place.

(28) Section 29-205.06 is amended as follows:

Amend
§ 29-205.06

(A) Subsection (a) is amended as follows:

(i) Paragraph (2) is amended by striking the word “assignment” and inserting the word “transfer” in its place.

(ii) Paragraph (6) is amended by striking the word “document” and inserting the word “record” in its place.

(B) Subsection (f) is amended by striking the word “qualified” and inserting the word “registered” in its place.

(c) Chapter 3 is amended as follows:

Chapter 3
Table of
Contents
§ 29-301.03

(1) The table of contents is amended as follows:

(A) The heading for section 29-301.03 is amended by inserting the phrase “and other communications” after the word “Notice”.

(B) A new heading is added at the end of Subchapter V, Part A to read as follows:

§ 29-305.09

“29-305.09. Remote participation in annual and special meetings.”.

(C) The heading for section 29-314.02 is amended by striking the word “qualified” and inserting the word “registered” in its place.

§ 29-314.02

(2) Section 29-301.03 is amended to read as follows:

Amend
§ 29-301.03

“§ 29-301.03. Notice and other communications.

“(a) Notice under this chapter must be in writing unless oral notice is reasonable under the circumstances. Unless otherwise agreed between the sender and the recipient, words in a notice or other communication under this chapter must be in English.

“(b) A notice or other communication may be given or sent by any method of delivery, except that electronic transmissions must be sent in accordance with this section. If these methods of communication are impracticable, a notice or other communication may be communicated by a newspaper of general circulation in the area where published, or by radio, television, or other form of public broadcast communication.

“(c) Notice or other communication to a domestic or a registered foreign corporation may be delivered to its registered agent at its registered office or to the secretary of the corporation at its principal office shown in its most recent annual report or, in the case of a foreign corporation that has not yet delivered an annual report, in its application for a certificate of registration.

“(d) Notice or other communications may be delivered by electronic transmission if:

“(1) The recipient consents or if authorized by subsection (k) of this section;

“(2) The electronic transmission contains or is accompanied by information from which the recipient can determine the date of the transmission; and

“(3) The transmission was authorized by the sender.

“(e) Consent under subsection (d) of this section may be revoked by giving written or electronic notice to the original recipient of the consent. Any such consent is deemed revoked if:

“(1) Two consecutive electronic transmissions are undeliverable; and

“(2) The secretary, assistant secretary, transfer agent, or other person responsible for the provision of notice or other communications knows of the delivery failure. Any inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

“(f) Unless otherwise agreed between sender and recipient, an electronic transmission is considered received when:

“(1) It enters an information processing system that the recipient has designated or uses for the purposes of receiving electronic transmissions or information of the type sent, and from which the recipient is able to retrieve the electronic transmission; and

“(2) It is in a form capable of being processed by that system.

“(g) Receipt of an electronic acknowledgment from an information processing system described in subsection (f)(1) of this section establishes that an electronic transmission was received but, by itself, does not establish that the content sent corresponds to the content received.

“(h) An electronic transmission is considered received under this section even if no individual is aware of its receipt.

“(i) Notice or other communication, if in a comprehensible form or manner, is effective at the earliest of the following:

“(1) If in physical form, when it is left at:

“(A) A shareholder’s address shown on the corporation’s record of shareholders maintained by the corporation under § 29-313.01(c);

“(B) A director’s residence or usual place of business; or

“(C) The corporation’s principal place of business;

“(2) If mailed postage prepaid and correctly addressed to a shareholder upon deposit in the United States mail;

“(3) If mailed by United States mail postage prepaid and correctly addressed to a recipient other than a shareholder, the earliest of the following:

“(A) If sent by registered or certified mail, return receipt requested, the date the return receipt is signed by or on behalf of the addressee; or

“(B) 5 days after it is deposited in the United States mail;

“(4) If an electronic transmission, when it is received as provided in subsection (f) of this section; and

“(5) If oral, when communicated.

“(j) A notice or other communication may be in the form of an electronic transmission that cannot be directly reproduced in paper form by the recipient through an automated process used in conventional commercial practice only if:

“(1) The electronic transmission is otherwise retrievable in perceivable form; and

“(2) The sender and the recipient have consented in writing to the use of such form of electronic transmission.

“(k) If this title prescribes requirements for notices or other communications in particular circumstances, those requirements govern. If articles of incorporation or bylaws prescribe requirements for notices or other communications, not inconsistent with this section or other provisions of this title, those requirements govern. The articles of incorporation or bylaws may authorize or require delivery of notices of meetings of directors by electronic transmission.”.

(3) Section 29-301.04(a)(1) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

Amend
§ 29-301.04

(4) Section 29-303.02 is amended as follows:

Amend
§ 29-303.02

(A) The lead-in language is amended by striking the word “business” and inserting the word “activities” in its place.

(B) Paragraph (4) is amended by striking the phrase “, real or personal”.

(C) Paragraph (15) is amended by striking the word “business” and inserting the word “activities” in its place.

(5) Section 29-304.01(c)(2)(B) is amended by striking the word “cash” and inserting the word “money” in its place.

Amend
§ 29-304.01

(6) Section 29-304.21 is amended as follows:

Amend
§ 29-304.21

(A) Subsection (b) is amended by striking the word “cash” and inserting the word “money” in its place.

(B) Subsection (f)(1) is amended by striking the phrase “cash or cash” and inserting the phrase “money or money” in its place.

(7) Section 29-305.04 is amended as follows:

Amend
§ 29-305.04

(A) Subsection (a) is amended by striking the phrase “written consents” and inserting the phrase “consents in a record” in its place.

(B) Subsection (b) is amended as follows:

(i) Strike the phrase “consents in writing” and insert the phrase “consents in a record” in its place.

(ii) Strike the phrase “written consent” and insert the phrase “consent in a record” in its place.

(C) Subsection (c) is amended as follows:

(i) Strike the phrase “written consent” each time it appears and insert the phrase “consent in a record” in its place.

(ii) Strike the phrase “by a writing” and insert the phrase “by a record”.

(iii) Strike the phrase “unrevoked written consents” and insert the phrase “unrevoked consents in a record” in its place.

(D) Subsection (d) is amended as follows:

(i) Strike the phrase “written consents” wherever it appears and insert the phrase “consents in a record” in its place.

(ii) Strike the phrase “written consent” and insert the phrase “consent in a record” in its place.

(E) Subsection (e)(1) is amended as follows:

(i) The lead-in language is amended as follows:

(I) Strike the phrase “written consent” and insert the phrase “consent in a record” in its place.

(II) Strike the phrase “written notice” and insert the phrase “notice in a record” in its place.

(ii) Subparagraph (A) is amended by striking the phrase “Written consents” and inserting the phrase “Consents in a record” in its place.

(F) Subsection (f)(1) is amended as follows:

(i) The lead-in language is amended by striking the phrase “written consent” and inserting the phrase “consent in a record” in its place

(ii) Subparagraph (A) is amended by striking the phrase “Written consents” and inserting the phrase “Consents in a record” in its place.

(G) Subsection (g) is amended by striking the phrase “written consent” each time it appears and inserting the phrase “consent in a record” in its place.

(H) Subsections (h) and (i) are repealed.

(8) Section 29-305.05(a) is amended by adding the following sentence after the first sentence:

Amend
§ 29-305.05

“If the board of directors has authorized participation by means of remote communication pursuant to § 29-305.09 for any class or series of shareholders, the notice to such class or series of shareholders shall describe the means of remote communication to be used.”.

(9) Section 29-305.06(a) is amended by striking the phrase “in writing” and inserting the phrase “in a record” in its place.

Amend
§ 29-305.06

(10) A new section 29-305.09 is added to read as follows:

New Section
§ 29-305.09

“§ 29-305.09. Remote participation in annual and special meetings.

“(a) Shareholders of any class or series may participate in any meeting of shareholders by means of remote communication to the extent the board of directors authorizes such participation for such class or series. Participation by means of remote communication shall be subject to such guidelines and procedures as the board of directors adopts, and shall be in conformity with subsection (b) of this section.

“(b) Shareholders participating in a shareholders’ meeting by means of remote communication shall be deemed present and may vote at such a meeting if the corporation has implemented reasonable measures:

“(1) To verify that each person participating remotely is a shareholder; and

“(2) To provide such shareholders a reasonable opportunity to participate in the meeting and to vote, including the opportunity to communicate with other shareholders participating in the meeting and to read or hear the proceedings of the meeting as the meeting is taking place.” .

(11) Section 29-305.20(b) is amended by striking the phrase “written demand” and inserting the phrase “demand in record” in its place.

Amend
§ 29-305.20

(12) Section 29-305.22 is amended as follows:

Amend
§ 29-305.22

(A) Subsection (b) is repealed.

(B) Subsections (c) through (h) are redesignated as subsections (b) through (g), respectively.

(13) Section 29-305.24(d) is amended by striking the phrase “§ 29-305.22(b)” and inserting the phrase “§ 29-301.03(d)” in its place.

Amend
§ 29-305.24

(14) Section 29-305.42(a) is amended as follows:

Amend
§ 29-305.42

(A) Paragraph (6) is amended by striking the word “business” and inserting the word “activities” in its place.

(B) Paragraph (8) is amended by striking the word “business” and inserting the word “activities” in its place.

(15) Section 29-305.52(2) is amended by striking the phrase “the demand” and inserting the phrase “the delivery of the demand” in its place.

Amend
§ 29-305.52

(16) Section 29-305.70(d)(1) is amended by striking the word “business” and inserting the word “activities” in its place.

Amend
§ 29-305.70

(17) Section 29-306.01(b) is amended by striking the word “business” and inserting the word “activities” in its place.

Amend
§ 29-306.01

(18) Section 29-306.21 is amended as follows:

Amend
§ 29-306.21

(A) Subsection (a) is amended by striking the word “consent” and inserting the phrase “consent in a record” in its place.

(B) Subsection (b) is amended by striking the phrase “written consents” and inserting the phrase “consents in a record” in its place.

(19) Section 29-306.31(a)(2)(D) is amended by striking the word “business” and inserting the word “activities” in its place.

Amend
§ 29-306.31

(20) Section 29-306.53(a) is amended as follows:

Amend
§ 29-306.53

(A) Paragraph (1) is amended by striking the phrase “written affirmation” and inserting the phrase “signed affirmation in a record” in its place.

(B) Paragraph (2) is amended by striking the phrase “A written undertaking” and inserting the phrase “An undertaking in a record” in its place.

(21) Section 29-307.01 is amended as follows:

Amend
§ 29-307.01

(A) Subsection (c)(3) is amended by striking the word “cash” and inserting the word “money” in its place.

(B) Subsection (d)(1) is amended by striking the word “cash” and inserting the word “money” in its place.

(C) Subsection (f) is amended by striking the word “executed” and inserting the word “signed” in its place.

(22) Section 29-307.06 is amended as follows:

Amend
§ 29-307.06

(A) Subsection (b) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

(B) Subsection (c) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

(23) Section 29-309.02(c)(2) is amended by striking the word “business” and inserting the word “activities” in its place.

Amend
§ 29-309.02

(24) Section 29-309.06(a) is amended by striking the word “executed” and inserting the word “signed” in its place.

Amend
§ 29-309.06

(25) Section 29-309.08(b) is amended as follows:

Amend
§ 29-309.08

(A) Strike the phrase “filed with the Mayor” and insert the phrase “delivered to the Mayor for filing” in its place.

(B) Strike the word “executed” and insert the word “signed” in its place.

(26) Section 29-311.10(c)(1) is amended by striking the word “Given” and inserting the word “Sent” in its place.

Amend
§ 29-311.10

(27) Section 29-311.11(b) is amended by striking the word “execute” and inserting the word “sign” in its place.

Amend
§ 29-311.11

(28) Section 29-311.12 is amended as follows:

Amend
§ 29-311.12

(A) Subsection (a) is amended as follows:

(i) Strike the word “deliver” wherever it appears and insert the word “send” in its place.

(ii) Strike the phrase “a written appraisal notice” wherever it appears and insert the phrase “an appraisal notice in a record” in its place.

(B) Subsection (b) is amended as follows:

(i) The lead-in language is amended by striking the word “sent” and inserting the word “delivered” in its place.

(ii) Paragraph (2)(B) is amended by striking the phrase “and form required by subsection (a) of this section are” and inserting the word “is” in its place.

(29) Section 29-312.05(a) is amended as follows:

Amend
§ 29-312.05

(A) The lead-in language is amended by striking the word “business” the first time it appears and inserting the word “activities” in its place.

(B) Paragraph (5) is amended by striking the word “business” and inserting the word “activities” in its place.

(30) Section 29-312.08 is amended by striking the word “Judicial” in the heading and inserting the word “Court” in its place.

Amend
§ 29-312.08

(31) Section 29-312.20(a)(2)(A) is amended by striking the word “business” and inserting the word “activities” in its place.	Amend § 29-312.20
(32) Section 29-312.22(a) is amended by striking the word “business” and inserting the word “activities” in its place.	Amend § 29-312.22
(33) Section 29-312.23(b) is amended by striking the word “business” and inserting the word “activities” in its place.	Amend § 29-312.23
(34) Section 29-313.02 is amended as follows: (A) Subsection (a) is amended by striking the phrase “written notice” and inserting the phrase “notice in a record” in its place. (B) Subsection (b) is amended by striking the phrase “written notice” and inserting the phrase “notice in a record” in its place.	Amend § 29-313.02
(35) Section 29-313.07 is amended as follows: (A) Subsection (c) is amended by striking the word “mailed” and inserting the word “sent” in its place. (B) A new subsection (d) is added to read as follows: “(d) A public corporation may fulfill its responsibilities under this section by delivering the specified financial statements or otherwise making them available in any manner permitted by the applicable rules and regulations of the United States Securities and Exchange Commission.”.	Amend § 29-313.07
(36) Section 29-314.01 is amended by striking the word “This” and inserting the phrase “Except as otherwise provided by § 29-107.01, this” in its place.	Amend § 29-314.01
(37) Section 29-314.02 is amended by striking the word “qualified” in the heading and inserting the word “registered” in its place.	Amend § 29-314.02
(d) Chapter 4 is amended as follows: (1) The table of contents is amended as follows: (A) The heading for section 29-412.08 is amended by striking the word “Judicial” and inserting the word “Court” in its place. (B) The heading for section 29-414.02 is amended by striking the word “qualified” and inserting the word “registered” in its place. (C) A new heading is added at the end of Subchapter XIV to read as follows: “§ 29-414.04. Quorum requirement for existing nonprofit corporations.”.	Chapter 4 Table of Contents § 29-412.08 § 29-412.02 § 29-414.04
(2) Section 29-401.02(28) is amended by striking the word “Nonqualified” and inserting the word “Nonregistered” in its place.	Amend § 29-401.02
(3) Section 29-401.03 is amended as follows: (A) Subsection (d) is amended by striking the word “qualified” and inserting the word “registered” in its place. (B) Subsections (g) and (h) are redesignated as subsections (h) and (i), respectively.	Amend § 29-401.03

(C) The subsection following the first subsection (f) is redesignated as subsection (g).

(4) Section 29-401.04(a)(1) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

Amend
§ 29-401.04

(5) Section 29-401.05 is amended as follows:

Amend
§ 29-401.05

(A) Subsection (a) is amended by striking the phrase “this chapter” and inserting the phrase “Chapter 2 of this title” in its place.

(B) Subsection (b) is amended by striking the phrase “this chapter” and inserting the phrase “Chapter 2 of this title” in its place.

(C) Subsection (c) is amended by striking the phrase “this chapter” and inserting the phrase “Chapter 2 of this title” in its place.

(D) Subsection (d) is amended by striking the phrase “this chapter” and inserting the phrase “Chapter 2 of this title” in its place.

(E) Subsection (e) is amended by striking the phrase “this chapter” and inserting the phrase “Chapter 2 of this title” in its place.

(6) Section 29-401.50 is amended as follows:

Amend
§ 29-401.50

(A) Subsection (a)(2)(A) is amended by striking the word “meeting” and inserting the word “meetings” in its place.

(B) Subsection (d)(12) is amended by striking the phrase “a officer” and inserting the phrase “an officer” in its place.

(7) Section 29-402.03(b) is amended by striking the word “state” and inserting the word “District” in its place.

Amend
§ 29-402.03

(8) Section 29-403.02(4) is amended by striking the phrase “real or personal”.

Amend
§ 29-403.02

(9) Section 29-404.02(c) is amended by striking the word “able” and inserting the word “transferable” in its place.

Amend
§ 29-404.02

(10) Section 29-404.43(a) is amended by striking the number “2986” and inserting the number “1986” in its place.

Amend
§ 29-404.43

(11) Section 29-406.12(a) is amended by striking the phrase “incorporation in a designated body” and inserting the phrase “incorporation or bylaws in a designated body” in its place.

Amend
§ 29-406.12

(12) Section 29-406.42(c)(3) is amended by striking the phrase “corporation engaged in a religious activity” and inserting the phrase “religious corporation” in its place.

Amend
§ 29-406.42

(13) Section 29-406.51(a)(2) is amended by striking the phrase “§ 29-402.02(b)(8)” and inserting the phrase “§ 29-402.02(b)(7)” in its place.

Amend
§ 29-406.51

(14) Section 29-406.90(c) is amended as follows:

Amend
§ 29-406.90

(A) Subsection (c) is amended by striking the phrase “1954, approved August 26, 1954 (68A Stat. 163; 26 U.S.C. § 501(c)(3))” and inserting the word “1986” in its place.

(B) Subsection (d) is amended by striking the phrase “shall not be exempt” and inserting the phrase “shall not exempt” in its place.

- (15) Section 29-407.04(d) is amended by striking the word “qualified” and inserting the word “registered” in its place. Amend
§ 29-407.04
- (16) Section 29-407.06 is amended as follows: Amend
§ 29-407.06
- (A) Subsection (b) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.
- (B) Subsection (c) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.
- (17) Section 29-409.03(c)(2) is amended by striking the word “business” and inserting the word “activities” in its place. Amend
§ 29-409.03
- (18) Section 29-409.08(b) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place. Amend
§ 29-409.08
- (19) Section 29-412.08 is amended by striking the word “Judicial” in the heading and inserting the word “Court” in its place. Amend
§ 29-412.08
- (20) Section 29-413.02(d) is amended by striking the word “may” and inserting the phrase “may not” in its place. Amend
§ 29-413.02
- (21) Section 29-414.01 is amended by striking the word “This” and inserting the phrase “Except as otherwise provided by § 29-107.01, this” in its place. Amend
§ 29-414.01
- (22) Section 29-414.02 is amended by striking the word “qualified” in the heading and inserting the word “registered” in its place. Amend
§ 29-414.02
- (23) A new section 29-414.04 is added to read as follows: New
§ 29-414.04
- “§ 29-414.04. Quorum requirement for existing nonprofit corporations.
- “With respect to a nonprofit corporation that was in existence on the effective date of this chapter, except as otherwise provided in the articles of incorporation or bylaws, one-tenth of the votes of members entitled to vote in person or by proxy shall constitute a quorum.”.
- (e) Chapter 5 is amended as follows:
- (1) Section 29-502(3) is amended by striking the phrase “practitioners of the healing arts, dentists, optometrists, podiatrists” and inserting the phrase “health professionals as defined in section 101(8) of the District of Columbia Health Occupations Revision Act of 1985, effective March 25, 1986 (D.C. Law 6-99;D.C. Official Code § 3-1201.01(8))” in its place. Amend
§ 29-502
- (2) Section 29-516 is amended to read as follows: Amend
§ 29-516
- “§ 29-516. Perpetual duration; dissolution.
- “(a) A professional corporation shall have perpetual duration, except that whenever all shareholders of a professional corporation cease at any time for any reason to be licensed to perform the professional services for which the corporation was organized, the professional corporation shall be treated as having converted into a corporation organized under Chapter 3 of this title.
- “(b) Articles of conversion shall be delivered to the Mayor for filing and meet the requirements of § 29-204.05.
- “(c) Dissolution by a professional corporation shall meet the requirements of § 29-312.03.”.

(f) Chapter 6 is amended as follows:

(1) The table of contents is amended as follows:

(A) New section headings are added at the end of Subchapter I to read as follows:

“29-601.08. Partnership agreement; effect on partnership and person.

“29-601.09. Partnership agreement; effect on third parties and relationship to records effective on behalf of partnership.

“29-601.10. Signing and filing pursuant to judicial order.

“29-601.11. Liability for inaccurate information in filed record.”.

(B) The section headings for Subchapter IV are amended to read as follows:

“29-604.01. Partner’s rights and duties.

“29-604.02. Becoming partner.

“29-604.03. Form of contribution

“29-604.04. Liability for contributions.

“29-604.05. Distributions in kind; sharing of and right to distributions.

“29-604.06. Partner’s rights and duties with respect to information.

“29-604.07. General standards of partner’s conduct.

“29-604.08. Actions by partnership and partners.

“29-604.09. Continuation of partnership beyond definite term or particular undertaking.”.

(C) A new section heading is added at the end of Subchapter V to read as follows:

“29-605.05. Power of legal representative of deceased partner.”.

(D) The title for Subchapter VIII is amended by striking the phrase “Winding up Partnership Business” and inserting the phrase “Dissolution and Winding Up” in its place.

(E) The section headings under Subchapter VIII are amended as follows:

(i) The heading for section 29-608.01 is amended by striking the phrase “of partnership business”.

(ii) The heading for section 29-608.03 is amended by striking the word “business”.

(iii) New section headings are added at the end of Subchapter VIII to read as follows:

“29-608.08. Known claims against dissolved limited liability partnership.

“29-608.09. Other claims against dissolved limited liability partnership.

“29-608.10. Court proceedings.

“29-608.11. Liability of partner and person dissociated as partner when claim against limited liability partnership is barred.

“29-608.12. Rescinding dissolution.”.

(F) New section headings are added at the end of Subchapter X to read as follows:

“29-610.02. Limitations on distributions by limited liability partnership.

“29-610.03. Liability for improper distributions by limited liability partnership.

“29-610.04. Administrative revocation of statement of qualification.

“29-610.05. Reinstatement.

“29-610.06. Judicial review of denial of reinstatement.”.

(2) Subchapter I is amended as follows:

(A) Section 29-601.02 is amended as follows:

Amend
§ 29-601.02

(i) Paragraph (7) is repealed.

(ii) Paragraphs (2) through (6) are redesignated as paragraphs (3) through (7), respectively.

(iii) Paragraphs (7) through (10) are redesignated as paragraphs (9) through (12), respectively.

(iv) Paragraph (11) is repealed.

(v) Paragraph (12) is redesignated as paragraph (14).

(vi) A new paragraph (2) is added to read as follows:

“(2) “Contribution”, except in the phrase “right of contribution”, means property or a benefit described in § 29-604.03 provided by a person to a partnership to become a partner or in the person’s capacity as a partner.”.

(vii) The newly designated paragraph (3) is amended to read as follows:

“(3) “Distribution” means a transfer of money or other property from a partnership to person on account of a transferable interest or in a person’s capacity as a partner.

“(A) The term includes:

“(i) A redemption or other purchase by a partnership of a transferable interest; and

“(ii) A transfer to a partner in return for the partner’s relinquishment of any right to participate as a partner in the management or conduct of the partnership’s business or have access to records or other information concerning the partnership’s business; and

“(B) The term does not include amounts constituting reasonable compensation for present or past service or payments made in the ordinary course of business under a bona fide retirement plan or other bona fide benefits program.”.

(viii) The newly designated paragraph (5) is amended to read as follows:

“(5) “Foreign limited liability partnership” means a foreign partnership whose partners have limited liability for the debts, obligations, or other liabilities of the foreign partnership under a provision similar to § 29-603.06(c).”.

(ix) The newly designated paragraph (6) is amended by striking the phrase “a partnership other than a domestic partnership” and inserting the phrase “an

unincorporated entity formed under the law of a jurisdiction other than the District which would be a partnership if formed under the law of the District” in its place.

(x) A new paragraph (8) is added to read as follows:

“(8) “Partner” means a person that:

“(A) Has become a partner in a partnership under § 29-604.02 or was a partner in a partnership when the partnership became subject to this chapter under § 29-611.01; and

“(B) Has not dissociated as a partner under 29-606.01.”.

(xi) A new paragraph (13) is added to read as follows:

“(13) “Registered foreign limited liability partnership” means a foreign limited liability partnership that is registered to do business in this state pursuant to a statement of registration filed by the Mayor.”.

(xii) A new paragraph (15) is added to read as follows:

“(15) “Transferable interest” means the right, as initially owned by a person in the person’s capacity as a partner, to receive distributions from a partnership in accordance with the partnership agreement, whether or not the person remains a partner or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned.”.

(xiii) A new paragraph (16) is added to read as follows:

“(16) “Transferee” means a person to which all or part of a transferable interest has been transferred, whether or not the transferor is a partner.”.

(B) Section 29-601.03 is amended by adding a new subsection (g) to read as follows:

**Amend
§ 29-601.03**

“(g) A person that is not a partner is deemed:

“(1) To know of a limitation on authority to transfer real property as provided in § 29-603.03(e); and

“(2) To have notice of:

“(A) A partner’s dissociation 90 days after a statement of dissociation under § 29-607.04 becomes effective; and

“(B) A partnership’s:

“(i) Dissolution 90 days after a statement of dissolution under § 29-608.05 becomes effective;

“(ii) Termination 90 days after a statement of termination under § 29-608.02 becomes effective; and

“(iii) Participation in a merger, interest exchange, conversion, or domestication 90 days after articles of merger, interest exchange, conversion, or domestication under Chapter 2 of this title becomes effective.”.

(C) Section 29-601.04 is amended as follows:

**Amend
§ 29-601.04**

(i) Subsection (b) is amended as follows:

(I) Strike the word “The” and insert the word “A” in its place.

(II) Paragraph (9) is amended by striking the word “or”.

(II) Paragraph (10) is amended by striking the period and inserting a semicolon in its place.

(IV) New paragraphs (11), (12), (13), (14), and (15) are added to read as follows:

“(11) Vary the provisions of § 29-601.10;

“(12) Vary the provisions of § 29-603.07;

“(13) Relieve or exonerate a person from liability for conduct involving bad faith, willful or intentional misconduct, or knowing violation of the law;

“(14) Vary the right of a partner to approve a merger, interest exchange, conversion, or domestication; or

“(15) Vary any requirement, procedure, or other provision of this title pertaining to:

“(A) Registered agents; or

“(B) The Mayor, including provisions pertaining to records authorized or required to be delivered to the Mayor for filing under this title.”.

(ii) New subsections (c) and (d) are added to read as follows:

“(c) Subject to subsection (b) of this section, without limiting other terms that may be included in a partnership agreement, the following rules apply:

“(1) The partnership agreement may specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.

“(2) If not manifestly unreasonable, the partnership agreement may:

“(A) Restrict or eliminate the aspects of the duty of loyalty stated in § 29-604.07(b);

“(B) Identify specific types or categories of activities and affairs that do not violate the duty of loyalty;

“(C) Alter the duty of care, but may not authorize willful or intentional misconduct or knowing violation of law; and

“(D) Alter or eliminate any other fiduciary duty.

“(d) The court shall decide as a matter of law any claim under subsection (b)(5) or (c)(2) of this section that a term of a partnership agreement is manifestly unreasonable. The court:

“(1) Shall make its determination as of the time the challenged term became part of the partnership agreement and by considering only circumstances existing at that time; and

“(2) May invalidate the term only if, in light of the purposes, activities, and affairs of the limited partnership, it is readily apparent that:

“(A) The objective of the term is unreasonable; or

“(B) The term is an unreasonable means to achieve the provision’s objective.”.

(D) Section 29-601.05(c) is amended by striking the word “perjury” and inserting the phrase “making false statements” in its place.

(E) Section 29-601.06 is amended to read as follows:

Amend
§ 29-601.06

“§ 29-601.06. Governing law.

“The internal affairs of a partnership and the liability of a partner as a partner for the debts, obligations, or other liabilities of the partnership are governed by:

“(1) In the case of a limited liability partnership, the law of the District of Columbia; and

“(2) In the case of a partnership that is not a limited liability partnership, the law of the state of the jurisdiction in which the partnership has its principal office.”.

(F) New sections 29-601.08, 29-601.09, 29-601.10, and 29-601.11 are added to read as follows:

“§ 29-601.08. Partnership agreement; effect on partnership and person becoming partner; preformation agreement. **New**
§ 29-601.08

“(a) A person that becomes a partner of a partnership is deemed to assent to the partnership agreement.

“(b) A partnership is bound by and may enforce the partnership agreement, whether or not the partnership itself has manifested assent to the agreement.

“(c) Two or more persons intending to become the initial partners of a partnership may make an agreement providing that upon the formation of the partnership the agreement will become the partnership agreement.

“§ 29-601.09. Partnership agreement; effect on third parties and relationship to records effective on behalf of partnership. **New**
§ 29-601.09

“(a) A partnership agreement may specify that its amendment requires the approval of a person that is not a party to the agreement or the satisfaction of a condition. An amendment is ineffective if its adoption does not include the required approval or satisfy the specified condition.

“(b) The obligations of a partnership and its partners to a person in the person’s capacity as a transferee or person dissociated as a partner are governed by the partnership agreement. Subject only to a court order issued under § 29-605.04 to effectuate a charging order, an amendment to the partnership agreement made after a person becomes a transferee or is dissociated as a partner:

“(1) Is effective with regard to any debt, obligation, or other liability of the partnership or its partners to the person in the person’s capacity as a transferee or person dissociated as a partner; and

“(2) Is not effective to the extent the amendment:

“(A) Imposes a new debt, obligation, or other liability on the transferee or person dissociated as a partner; or

“(B) Prejudices the rights under § 29-607.01 of a person that dissociated as a partner before the amendment was made.

“(c) If a record delivered by a partnership to the Mayor for filing becomes effective under this chapter and contains a provision that would be ineffective under § 29-601.04(b) or (d)(2) if contained in the partnership agreement, the provision is ineffective in the record.

“(d) Subject to subsection (c) of this section, if a record delivered by a partnership to the Mayor for filing becomes effective under this chapter and conflicts with a provision of the partnership agreement:

“(1) The agreement prevails as to partners, persons dissociated as partners, and transferees; and

“(2) The record prevails as to other persons to the extent they reasonably rely on the record.

“§ 29-601.10. Signing and filing pursuant to judicial order.

New
§ 29-601.10

“(a) If a person required by this chapter to sign a record or deliver a record to the Mayor for filing under this chapter does not do so, any other person that is aggrieved may petition the Superior Court to order:

“(1) The person to sign the record;

“(2) The person to deliver the record to the Mayor for filing; or

“(3) The Mayor to file the record unsigned.

“(b) If a petitioner under subsection (a) of this section is not the partnership or foreign limited liability partnership to which the record pertains, the petitioner shall make the partnership a party to the action.

“(c) A record filed under subsection (a)(3) of this section is effective without being signed.

“§ 29-601.11. Liability for inaccurate information in filed record.

New
§ 29-601.11

“(a) If a record delivered to the Mayor for filing under this title and filed by the Mayor contains inaccurate information, a person that suffers loss by reliance on the information may recover damages for the loss from:

“(1) A person that signed the record, or caused another to sign it on the person’s behalf, and knew the information to be inaccurate at the time the record was signed; and

“(2) A partner, if:

“(A) The record was delivered for filing on behalf of the partnership; and

“(B) The partner had notice of the inaccuracy for a reasonably sufficient time before the information was relied upon so that, before the reliance, the partner reasonably could have:

“(i) Effected an amendment under § 29-610.01(h);

“(ii) Filed a petition under § 29-601.10; or

“(iii) Delivered to the Mayor for filing a statement of change under § 29-104.07 or a statement of correction under § 29-102.05.

“(b) An individual who signs a record authorized or required to be filed under this chapter affirms under penalty of making false statements that the information stated in the record is accurate.”.

(3) Subchapter III is amended as follows:

(A) Section 29-603.03 is amended as follows:

Amend
§ 29-603.03

(i) Subsection (a) is amended by striking the word “file” and inserting the phrase “deliver to the Mayor for filing” in its place.

(ii) Subsection (g) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

(B) Section 29-603.04 is amended by striking the word “file” and insert the phrase “deliver to the Mayor for filing” in its place.

**Amend
§ 29-603.04**

(C) Section 29-603.06 is amended as follows:

**Amend
§ 29-603.06**

(i) Subsection (a) is amended by striking the word “obligations” and inserting the phrase “debts, obligations, or other liabilities” in its place.

(ii) Subsection (b) is amended by striking the word “obligation” and inserting the phrase “debt, obligation, or other liability” in its place.

(iii) Subsection (c) is amended as follows:

(I) Strike the phrase “an obligation” wherever it appears and insert the phrase “a debt, obligation, or other liability” in its place.

(II) Strike the phrase “the obligation” and inserting the phrase “the debt, obligation, or other liability” in its place.

(iv) New subsections (d) and (e) are added to read as follows:

“(d) The failure of a limited liability partnership to observe any formalities relating to the exercise of its powers or management of its business is not a ground for imposing liability on any partner of the partnership for any debt, obligation, or other liability of the partnership.

“(e) The cancellation or administrative revocation of a limited liability partnership’s statement of qualification does not affect this section’s limitation on the liability of a partner for a debt, obligation, or other liability of the partnership incurred while the statement was in effect.”.

(D) Section 29-603.07 is amended as follows:

**Amend
§ 29-603.07**

(i) Subsection (e) is amended by striking the phrase “liability or obligation” and inserting the phrase “debt, obligation, or other liability” in its place.

(ii) Subsection (f) is amended by striking the phrase “shall not be” and inserting the phrase “is not” in its place.

(4) Subchapter IV is amended as follows:

(A) Section 29-604.01 is amended as follows:

**Amend
§ 29-604.01**

(i) Subsections (f) through (h) are redesignated as subsections (i) through (k), respectively.

(ii) Subsections (i) and (j) are repealed.

(iii) Subsections (k) and (l) are redesignated as subsections (l) and (m), respectively.

(iv) New subsections (f), (g), and (h) are added to read as follows:

“(f) A partnership shall indemnify and hold harmless a person with respect to any claim or demand against the person and any debt, obligation, or other liability incurred by the person by reason of the person’s former or present capacity as partner, if the claim, demand, debt, obligation, or other liability does not arise from the person’s breach of this section, § 29-604.07, or § 29-610.02.

“(g) In the ordinary course of its business, a partnership may advance reasonable expenses, including attorney’s fees and costs, incurred by a person in connection with a claim or demand against the person by reason of the person’s former or present capacity as a partner, if the person promises to repay the partnership if the person ultimately is determined not to be entitled to be indemnified under subsection (f) of this section.

“(h) A partnership may purchase or maintain insurance against liability arising from a partner's status and asserted against or incurred by a partner acting in his or her capacity. Such insurance may be purchased and maintained even if, under § 29-601.04(b)(13), the partnership agreement does not permit limitation or elimination of partner liability.”.

(v) The newly designated subsection (m) is amended by striking the word “obligations” and inserting the phrase “debts, liabilities, or other obligations” in its place.

(B) Section 29-604.02 is repealed.

(C) Sections 29-604.03 through 29-604.06 are redesignated as §§ 29-604.06 through 29-604.09, respectively.

(D) New sections 29-604.02, 29-604.03, 29-604.04 and 29-604.05 are added to read as follows:

“§ 29-604.02. Becoming partner.

“(a) Upon formation of a partnership under § 29-602.02(a), a person becomes a partner.

“(b) After formation of a partnership, a person becomes a partner:

“(1) As provided in the partnership agreement;

“(2) As a result of a transaction effective under Subchapter IX of this chapter or Chapter 2 of this title; or

“(3) With the consent of all the partners.

“(c) A person may become a partner without:

“(1) Acquiring a transferable interest; or

“(2) Making or being obligated to make a contribution to the partnership.

“§ 29-604.03. Form of contribution.

“A contribution may consist of property transferred, services performed, or other benefit provided to the partnership or an agreement to transfer property, perform services, or provide another benefit.

“§ 29-604.04. Liability for contributions.

“(a) A person’s obligation to make a contribution to a partnership is not excused by the person’s death, disability, or other inability to perform personally.

“(b) If a person does not fulfill an obligation to make a contribution other than money, the person is obligated at the option of the partnership to contribute money equal to the value of the part of the contribution which has not been made.

“(c) The obligation of a person to make a contribution may be compromised only by consent of all partners. If a creditor of a limited liability partnership extends credit or otherwise acts in reliance on an obligation described in subsection (a) of this section, without notice of a compromise under this subsection, the creditor may enforce the obligation.

Repeal
§ 29-604.02
Redesignate
§§ 29-604.03 –
29-604.06

New
§ 29-604.02

New
§ 29-604.03

New
§ 29-604.04

“§ 29-604.05. Distributions in kind; sharing of and right to distribution before dissolution.

New
§ 29-604.05

“(a) Any distributions made by a partnership before its dissolution and winding up must be in equal shares among partners, except to the extent necessary to comply with a transfer effective under § 29-605.03 or charging order in effect under § 29-605.04.

“(b) A person has a right to a distribution before the dissolution and winding up of a partnership only if the partnership decides to make an interim distribution.

“(c) A person does not have a right to demand or receive a distribution from a partnership in any form other than money. Except as otherwise provided in § 29-608.09, a partnership may distribute an asset in kind only if each part of the asset is fungible with each other part and each person receives a percentage of the asset equal in value to the person’s share of distributions.

“(d) If a partner or transferee becomes entitled to receive a distribution, the partner or transferee has the status of, and is entitled to all remedies available to, a creditor of the partnership with respect to the distribution. However, the partnership’s obligation to make a distribution is subject to offset for any amount owed to the partnership by the partner or a person dissociated as partner on whose account the distribution is made.”.

(D) The newly designated § 29-604.06(c) is amended as follows:

Amend
§ 29-604.06

(i) Paragraph (1) is amended by striking the word and inserting the word “activities” in its place.

(ii) Paragraph (2) is amended by striking the word and inserting the word “activities in its place.

(E) The newly designated § 29-604.07 is amended as follows:

Amend
§ 29-604.07

(i) Subsection (b) is amended by striking the phrase “shall be limited to” and inserting the word “include” in its place.

(ii) Subsection (e) is amended by striking the word “shall” and inserting the word “does” in its place.

(iii) New subsections (h), (i), and (j) are added to read as follows:

“(h) All the partners may authorize or ratify, after full disclosure of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty.

“(i) It is a defense to a claim under subsection (b)(2) of this section and any comparable claim in equity or at common law that the transaction was fair to the partnership.

“(j) If, as permitted by subsection (f) of this section or the partnership agreement, a partner enters into a transaction with the partnership which otherwise would be prohibited by subsection (b)(2) of this section, the partner’s rights and obligations arising from the transaction are the same as those of a person that is not a partner.”.

(5) Subchapter V is amended as follows:

(A) Section 29-605.02 is amended by striking the phrase “shall be” and inserting the word “is” in its place.

Amend
§ 29-605.02

(B) Section 29-605.03 is amended by adding a new subsection (g) to read as follows:

Amend
§ 29-605.03

“(g) If a partner transfers a transferable interest to a person that becomes a partner with respect to the transferred interest, the transferee is liable for the partner’s obligations under §§ 29-604.04 and 29-610.03 known to the transferee when the transferee becomes a partner.”.

(C) A new section 29-605.05 is added to read as follows:

New
§ 29-605.05

“§ 29-605.05. Power of legal representative of deceased partner.

“If a partner dies, the deceased partner’s legal representative may exercise:

“(1) The rights of a transferee provided in § 29-605.03(c); and

“(2) For purposes of settling the estate, the rights the deceased partner had under § 29-604.06.”.

(6) Subchapter VI is amended as follows:

(A) Section 29-606.01 is amended as follows:

Amend
§ 29-606.01

(i) Paragraph (9) is amended by striking the phrase “; or” and inserting a semicolon in its place.

(ii) Paragraph (10) is amended by striking the phrase “is terminated” and inserting the phrase “dissolves and completes winding up; or” in its place.

(iii) A new paragraph (11) is added to read as follows:

“(11) The partnership participates in a merger, interest exchange, conversion, or domestication under Chapter 2 of this title or Subchapter IX of this chapter and, as a result, the person ceases to be a partner.”.

(B) Section 29-606.03 is amended by adding a new subsection (c) to read as follows:

Amend
§ 29-606.03

“(c) A person’s dissociation alone does not discharge the person from a debt, obligation, or other liability to the partnership or to the other partners which the person incurred while a partner.”.

(7) Subchapter VII is amended as follows:

(A) Section 29-607.02(b) is amended by striking the phrase “an obligation” and inserting the phrase “a debt, obligation, or other liability” in its place.

Amend
§ 29-607.02

(B) Section 29-607.03 is amended as follows:

Amend
§ 29-607.03

(i) Subsection (a) is amended by striking the word “obligation” and inserting the phrase “debt, obligation, or other liability” in its place.

(ii) Subsection (c) is amended by striking the word “obligation” and inserting the phrase “debt, obligation, or other liability” in its place.

(iii) Subsection (d) is amended by striking the word “obligation” wherever it appears and inserting the phrase “debt, obligation, or other liability” in its place.

(C) Section 29-607.05 is amended as follows:

(i) Strike the word “business” the first time it appears and insert the phrase “partnership’s activities and affairs” in its place.

Amend
§ 29-607.05

(ii) Strike the phrase “an obligation” and insert the phrase “a debt, obligation, or other liability” in its place.

(iii) Strike the word “business” the second time it appears and inserting the phrase “activities and affairs” in its place.

(8) Subchapter VIII is amended as follows:

(A) The subchapter heading is amended by striking the phrase “Winding up Partnership Business” and inserting the phrase “Dissolution and Winding Up” in its place.

(B) Section 29-608.01 is amended as follows:

Amend
§ 29-608.01

(i) The lead-in language is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(ii) Paragraph (2) is amended as follows:

(I) Subparagraph (A) is amended by striking the word “partnership business” wherever it appears and inserting the phrase “partnership’s activities and affairs” in its place.

(II) Subparagraph (B) is amended by striking the phrase “partnership business” and inserting the phrase “partnership’s activities and affairs” in its place.

(iii) Paragraph (3) is amended by striking the phrase “partnership business” and inserting the phrase “partnership’s activities and affairs” in its place.

(iv) Paragraph (4) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(v) Paragraph (5) is amended as follows:

(I) Subparagraph (B) is amended by striking the word “business” wherever it appears and inserting the phrase “activities and affairs” in its place.

(II) Subparagraph (C) is amended as follows:

(aa) Strike the word “business” and insert the phrase “activities and affairs” in its place.

(bb) Strike the phrase “; or” and insert a period in its place.

(vi) Paragraph (6) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(vii) A new paragraph (7) is added to read as follows:

“(7) The passage of 90 consecutive days during which the partnership does not have at least 2 partners.”.

(C) Section 29-608.02 is amended as follows:

Amend
§ 29-608.02

(i) Subsection (a) is amended by striking the word “business” wherever it appears and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (b) is amended as follows:

(I) The lead-in language is amended by striking the word “business” wherever it appears and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (1) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(D) Section 29-608.03 is amended as follows:

Amend
§ 29-608.03

(i) The heading is amended by striking the word “business”.

(ii) Subsection (a) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(iii) Subsection (b) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(iv) Subsection (c) is amended as follows:

(I) Strike the word “business” the first time it appears and insert the phrase “activities and affairs” in its place.

(II) Strike the word “business” the second and third time it appears and insert the word “activities” in its place.

(E) Section 29-608.04(1) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

Amend
§ 29-608.04

(F) Section 29-608.05 is amended as follows:

Amend
§ 29-608.05

(i) Subsection (a) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (d) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(G) Section 29-608.06(b) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

Amend
§ 29-608.06

(H) Section 29-608.07 is amended as follows:

Amend
§ 29-608.07

(i) Subsection (a) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (b) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(I) New sections 29-608.08, 29-608.09, 29-608.10, 29-608.11, and 29-608.12 are added to read as follows:

“§ 29-608.08. Known claims against dissolved limited liability partnership.

New
§ 29-608.08

“(a) Except as otherwise provided in subsection (d) of this section, a dissolved limited liability partnership may give notice of a known claim under subsection (b) of this section, which has the effect provided in subsection (c) of this section.

“(b) A dissolved limited liability partnership may, in a record, notify its known claimants of the dissolution. The notice must:

“(1) Specify the information required to be included in a claim;

“(2) State that a claim must be in writing and provide a mailing address to which the claim is to be sent;

“(3) State the deadline for receipt of a claim, which may not be less than 120 days after the date the notice is received by the claimant;

“(4) State that the claim will be barred if it is not received by the deadline; and

“(5) Unless the partnership has been throughout its existence a limited liability partnership, state that the barring of a claim against the partnership will also bar any corresponding claim against any partner or person dissociated as a partner which is based on § 29-603.06.

“(c) A claim against a dissolved limited liability partnership is barred if the notice requirements of subsection (b) of this section are met and:

“(1) The claim is not received by the specified deadline; or

“(2) If the claim is timely received but rejected by the limited liability partnership:

“(A) The partnership causes the claimant to receive a notice in a record stating that the claim is rejected and will be barred unless the claimant commences an action against the partnership to enforce the claim not later than 90 days after the date the claimant receives the notice; and

“(B) The claimant does not commence the required action not later than 90 days after the claimant receives the notice.

“(d) This section does not apply to a claim based on an event occurring after the effective date of dissolution or a liability that on that date is contingent.

“§ 29-608.09. Other claims against dissolved limited liability partnership.

New
§ 29-608.09

“(a) A dissolved limited liability partnership may publish notice of its dissolution and request persons having claims against the partnership to present them in accordance with the notice.

“(b) A notice under subsection (a) of this section must:

“(1) Be published at least once in a newspaper of general circulation in the District of Columbia, or, if the principal office is not located in the District of Columbia, in the appropriate court where the partnership’s principal office is or was last located;

“(2) Describe the information required to be contained in a claim, state that the claim must be in writing, and provide a mailing address to which the claim is to be sent;

“(3) State that a claim against the partnership is barred unless an action to enforce the claim is commenced not later than 3 years after publication of the notice; and

“(4) Unless the partnership has been throughout its existence a limited liability partnership, state that if a claim against the partnership is barred, any corresponding claim against any partner or person dissociated as a partner which is based on § 29-603.06 is also barred.

“(c) If a dissolved limited liability partnership publishes a notice in accordance with subsection (b) of this section, the claim of each of the following claimants is barred unless the claimant commences an action to enforce the claim against the partnership not later than 3 years after the publication date of the notice:

“(1) A claimant that did not receive notice in a record under § 29-608.08;

“(2) A claimant whose claim was timely sent to the partnership but not acted on;
and

“(3) A claimant whose claim is contingent on or based on an event occurring after the effective date of dissolution.

“(d) A claim not barred under this section or § 29-608.08(c) may be enforced as follows:

“(1) Against a dissolved limited liability partnership, a claim may be enforced to the extent of its undistributed assets;

“(2) Except as otherwise provided in § 29-608.10(d), if assets of the partnership have been distributed after dissolution, a claim may be enforced against a partner or transferee to the extent of that person’s proportionate share of the claim or of the partnership’s

assets distributed to the partner or transferee after dissolution, whichever is less, but a person's total liability for all claims under this paragraph may not exceed the total amount of assets distributed to the person after dissolution; and

“(3) A claim may be enforced against any person liable on the claim under § 29-603.06, 29-607.03, or 29-608.06.

“§ 29-608.10. Court proceedings.

New
§ 29-608.10

“(a) A dissolved limited liability partnership that has published a notice under § 29-608.09 may file an application with the Superior Court, or, if the principal office is not located in the District, an appropriate court where the office of its principal office is located, for a determination of the amount and form of security to be provided for payment of claims that are contingent, have not been made known to the partnership, or are based on an event occurring after the effective date of dissolution but which, based on the facts known to the dissolved partnership, are reasonably expected to arise after the effective date of dissolution. Security is not required for any claim that is or is reasonably anticipated to be barred under § 29-608.08(c).

“(b) Not later than 10 days after the filing of an application under subsection (a) of this section, the dissolved limited liability partnership shall give notice of the proceeding to each claimant holding a contingent claim known to the partnership.

“(c) In any proceeding under this section, the court may appoint a guardian ad litem to represent all claimants whose identities are unknown. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, must be paid by the dissolved limited liability partnership.

“(d) A dissolved limited liability partnership that provides security in the amount and form ordered by the court under subsection (a) of this section satisfies the partnership's obligations with respect to claims that are contingent, have not been made known to the partnership, or are based on an event occurring after the effective date of dissolution, and the claims may not be enforced against a partner or transferee who receives assets in liquidation.

“(e) This section applies only to a debt, obligation, or liability incurred while a partnership was a limited liability partnership.

“§ 29-608.11. Liability of partner and person dissociated as partner when claim against limited liability partnership is barred.

New
§ 29-608.11

“If a claim against a dissolved limited liability partnership is barred under § 29-608.08(c), 29-608.09(c), or 29-608.10, any corresponding claim under § 29-603.06, 29-607.03, or 29-608.06 is also barred.

“§ 29-608.12. Rescinding dissolution.

New
§ 29-608.12

“(a) A partnership may rescind its dissolution, unless a statement of termination applicable to the partnership is effective or the Superior Court has entered an order under § 29-608.01(5) or (6) dissolving the partnership.

“(b) Rescinding dissolution under this section requires:

“(1) The consent of each partner;

“(2) If a statement of dissolution applicable to the partnership has been filed by the Mayor but has not become effective, delivery to the Mayor for filing of a statement of withdrawal under § 29-102.04 applicable to the statement of dissolution; and

“(3) If a statement of dissolution applicable to the partnership is effective, the delivery to the Mayor for filing of a statement of correction under § 29-102.05 stating that dissolution has been rescinded under this section.

“(c) If a partnership rescinds its dissolution:

“(1) The partnership resumes carrying on its activities and affairs as if dissolution had never occurred;

“(2) Subject to paragraph (3) of this subsection, any liability incurred by the partnership after the dissolution and before the rescission is effective is determined as if dissolution had never occurred; and

“(3) The rights of a third party arising out of conduct in reliance on the dissolution before the third party knew or had notice of the rescission may not be adversely affected.”.

(9) Subchapter IX is amended by amending § 29-609.05(b) by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

Amend
§ 29-609.05

(10) Subchapter X is amended by adding new §§ 29-610.02, 29-610.03, 29-610.04, 29-610.05, and 29-610.06 to read as follows:

“29-610.02. Limitations on distributions by limited liability partnership.

New
§ 29-610.02

“(a) A limited liability partnership may not make a distribution, including a distribution under § 29-608.08, if after the distribution:

“(1) The limited liability partnership would not be able to pay its debts as they become due in the ordinary course of the partnership’s activities and affairs; or

“(2) Except as permitted in the partnership agreement, the limited liability partnership’s total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the partnership were to be dissolved and wound up at the time of the distribution, to satisfy the preferential rights of the partners and transferees upon dissolution and winding up whose preferential rights are superior to the right to receive distributions of the persons receiving the distribution.

“(b) A limited liability partnership may base a determination that a distribution is not prohibited under subsection (a) of this section on:

“(1) Financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances; or

“(2) A fair valuation or other method that is reasonable under the circumstances.

“(c) Except as otherwise provided in subsection (e) of this section, the effect of a distribution under subsection (a) of this section is measured:

“(1) In the case of a distribution as defined in § 29-601.02(3), as of the earlier of the date:

“(A) Money or other property is transferred or debt is incurred by the limited liability partnership; or

“(B) The person entitled to the distribution ceases to own the interest or rights being acquired by the limited liability partnership in return for the distribution;

“(2) In the case of any other distribution of indebtedness, as of the date the indebtedness is distributed; and

“(3) In all other cases, as of the date:

“(A) The distribution is authorized, if the payment occurs not later than 120 days after that date; or

“(B) The payment is made, if the payment occurs more than 120 days after the distribution is authorized.

“(d) A limited liability partnership’s indebtedness to a partner or transferee incurred by reason of a distribution made in accordance with this section is at parity with the limited liability company’s indebtedness to its general, unsecured creditors, except to the extent subordinated by agreement.

“(e) A limited liability partnership’s indebtedness, including indebtedness issued as a distribution, is not a liability for purposes of subsection (a) of this section if the terms of the indebtedness provide that payment of principal and interest is made only if and to the extent that a payment of a distribution could then be made under this section. If the indebtedness is issued as a distribution, each payment of principal or interest is treated as a distribution, the effect of which is measured on the date the payment is made.

“(f) In measuring the effect of a distribution under § 29-608.07, the debts and liabilities of a dissolved limited liability partnership do not include any claim that has been disposed of under § 29-608.08, 29-608.09, or 29-608.10.

“§ 29-610.03. Liability for improper distributions by limited liability partnership.

New
§ 29-610.03

“(a) If a partner of a limited liability partnership consents to a distribution made in violation of § 29-610.02 and in consenting to the distribution fails to comply with § 29-604.07, the partner is personally liable to the partnership for the amount of the distribution which exceeds the amount that could have been distributed pursuant to § 29-610.02.

“(b) A person that receives a distribution knowing that the distribution violated of § 29-604.07 is personally liable to the limited liability partnership but only to the extent that the distribution received by the person exceeded the amount that could have been properly paid in accordance with § 29-604.07.

“(c) A person against which an action is commenced because the person is liable under subsection (a) of this section may:

“(1) Implead any other person that is liable under subsection (a) of this section and seek to enforce a right of contribution from the person; and

“(2) Implead any person that received a distribution in violation of subsection (b) of this section and seek to enforce a right of contribution from the person in the amount the person received in violation of subsection (b) of this section.

“(d) An action under this section is barred if not commenced not later than 2 years after the distribution.

“§ 29-610.04. Administrative revocation of statement of qualification.

New
§ 29-610.04

“(a) The Mayor may commence a proceeding under subsections (b) and (c) of this section to revoke the statement of qualification of a limited liability partnership administratively if the partnership does not:

“(1) Pay any fee, tax, or penalty required to be paid to the Mayor not later than 6 months after it is due;

“(2) Deliver a biennial report to the Mayor not later than 6 months after it is due; or

“(3) Have a registered agent in this state for 60 consecutive days.

“(b) If the Mayor determines that one or more grounds exist for administratively revoking a statement of qualification, the Mayor shall serve the partnership with notice in a record of the Mayor’s determination.

“(c) If a limited liability partnership, not later than 60 days after service of the notice is effected under subsection (b) of this section, does not cure or demonstrate to the satisfaction of the Mayor the nonexistence of each ground determined by the Mayor, the Mayor shall administratively revoke the statement of qualification by signing a statement of administrative revocation that recites the grounds for revocation and the effective date of the revocation. The Mayor shall file the statement and serve a copy on the partnership pursuant to § 29-102.10.

“(d) An administrative revocation under subsection (c) of this section affects only a partnership’s status as a limited liability partnership and is not an event causing dissolution of the partnership.

“(e) The administrative revocation of a statement of qualification of a limited liability partnership does not terminate the authority of its registered agent.

“§ 29-610.05. Reinstatement.

New
§ 29-610.05

“(a) A partnership whose statement of qualification has been revoked administratively under § 29-610.04 may apply to the Mayor for reinstatement of the statement of qualification not later than 2 years after the effective date of the revocation. The application must state:

“(1) The name of the partnership at the time of the statement of qualification was administratively revoked, and, if needed, a different name that satisfies §§ 29-103.01 and 29-103.02;

“(2) The address of the principal office of the partnership and the name and address of its registered agent;

“(3) The effective date of administrative revocation of the partnership’s statement of qualification; and

“(4) That the grounds for revocation did not exist or have been cured.

“(b) To have its statement of qualification reinstated, a partnership must pay all fees, taxes, and penalties that were due to the Mayor at the time of the administrative revocation and all fees, taxes, and penalties that would have been due to the Mayor while the partnership’s statement of qualification was revoked administratively.

“(c) If the Mayor determines that the application contains the information required by subsection (a) of this section, is satisfied that the information is correct, and determines that all

payments required to be made to the Mayor by subsection (b) of this section have been made, the Mayor shall:

“(1) Cancel the statement of revocation;

“(2) Prepare a statement of reinstatement stating the Mayor’s determination and the effective date of reinstatement;

“(3) File the statement of reinstatement; and

“(4) Serve a copy on the partnership.

“(d) When reinstatement under this section is effective:

“(1) It relates back to and takes effect as of the effective date of the administrative revocation; and

“(2) The partnership’s status as a limited liability partnership continues as if the revocation had never occurred, except for the rights of a person arising out of an act or omission in reliance on the revocation before the person knew or had notice of the reinstatement.

“§ 29-610.06. Judicial review of denial of reinstatement.

New
§ 29-610.06

“(a) If the Mayor denies a partnership’s application for reinstatement following administrative revocation of the partnership’s statement of qualification, the Mayor shall serve the partnership with notice in a record that explains the reasons for the denial.

“(b) A partnership may seek judicial review of a denial of reinstatement in Superior Court not later than 30 days after service of the notice of denial.”

(g) Chapter 7 is amended as follows:

Chapter 7
Table of
Contents
Redesignate
§§ 29-701.08 –
29-701.11

(1) The table of contents is amended as follows:

(A) The headings for sections 29-701.08 through 29-701.11 are redesignated as §§ 29-701.10 through 29-701.13, respectively.

(B) New section headings for sections 29-701.08 and 29-701.09 are added to read as follows:

“29-701.08. Partnership agreement; effect on limited partnership and person becoming partner; preformation agreement. § 29-701.08

“29-701.09. Partnership agreement; effect on third parties and relationship to records effective on behalf of limited partnership.”. § 29-701.09

(C) The heading for section 29-702.06 is amended by striking the word “false” and inserting the word “inaccurate” in its place. § 29-702.06

(D) The heading for section 29-703.02 is amended by striking the phrase “No right or power as limited partner to bind limited partnership” and inserting the phrase “No agency power of limited partner as limited partner” in its place. § 29-703.02

(E) A new section heading for section 29-704.09 is added to read as follows: § 29-704.09

“29-704.09. Reimbursement, indemnification, advancement, and insurance.”.

(F) The heading for section 29-705.02 is amended by striking the word “contribution” and inserting the word “contributions” in its place. § 29-705.02

(G) The heading for section 29-707.03 is amended by striking the phrase “Rights of creditor of partner or transferee” and inserting the phrase “Charging order” in its place. § 29-707.03

(H) The heading for section 29-707.04 is amended by striking the word “estate” and inserting the phrase “legal representative” in its place. § 29-707.04

(I) A new section heading for section 29-708.10 is added to read as follows: § 29-708.10
“29-708.10. Rescinding dissolution.”.

(J) A new section heading for section 29-708.11 is added to read as follows: § 29-708.11
“29-708.11. Court proceedings.”.

(K) A new section heading for section 29-709.06 is added to read as follows: § 29-709.06
“29-709.06. Special litigation committee.”.

(2) Subchapter I is amended as follows:

(A) Section 29-701.02 is amended as follows:

Amend
§ 29-701.02

(i) Paragraph (2) is amended by striking the word “benefit” and inserting after the phrase “benefit described in § 29-705.01” in its place.

(ii) Paragraph (3) is amended to read as follows:

“(3) “Distribution” means a transfer of money or other property from a limited partnership to a person on account of a transferable interest or in the person’s capacity as a partner.

“(A) The term includes:

“(i) A redemption or other purchase by a limited partnership of a transferable interest; and

“(ii) A transfer to a partner in return for the partner’s relinquishment of any right to participate as a partner in the management or conduct of the partnership’s activities and affairs or to have access to records or other information concerning the partnership’s activities and affairs; and

“(B) The term does not include amounts constituting reasonable compensation for present or past service or payments made in the ordinary course of business under a bona fide retirement plan or other bona fide benefits program.”.

(iii) Paragraph (4) is amended by striking the word “obligations” and inserting the phrase “debts, obligations, or other liabilities” in its place.

(iv) Paragraph (5) is amended by striking the phrase “and required by those laws to have one or more general partners and one or more limited partners” and inserting the phrase “which would be a limited partnership if formed under the laws of the District” in its place.

(v) Paragraph (6)(A) is amended as follows:

(I) Sub-subparagraph (i) is amended by striking the phrase “; or” and inserting the phrase “or was a general partner in a limited partnership when the limited partnership became subject to this chapter under § 29-711.01(a) or (b); and” in its place.

(II) Sub-subparagraph (ii) is amended by striking the phrase “Was a general partner in a limited partnership when the limited partnership became subject to this chapter under § 29-711.01(a) or (b);” and inserting the phrase “Has not dissociated as a general partner under § 29-706.03.” in its place.

(vi) Paragraph (8)(A) is amended as follows:

(I) Sub-subparagraph (i) is amended by striking the phrase “; or” and inserting the phrase “or was a limited partner in a limited partnership when the limited partnership became subject to this chapter under § 29-711.01(a) or (b); and” in its place.

(II) Sub-subparagraph (ii) is amended by striking the phrase “Was a limited partner in a limited partnership when the limited partnership became subject to this chapter under § 29-711.01(a) or (b);” and inserting the phrase “Has not dissociated as a limited partner under § 29-706.01.” in its place.

(vii) Paragraph (11) is amended as follows:

(I) Strike the phrase “limited partnership” and insert the phrase “matters described in § 29-701.07” in its place.

(II) Strike the word “amended” and insert the phrase “amended or restated” in its place.

(viii) Paragraph (14) is redesignated as paragraph (15).

(ix) A new paragraph (14) is added to read as follows:

“(14) “Transferable interest” means the right, as initially owned by a person in the person’s capacity as a partner, to receive distributions from a limited partnership in accordance with the partnership agreement, whether or not the person remains a partner or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned.”.

(x) The newly designated paragraph (15) is amended by adding the following sentence at the end:

“The term includes a person that owns a transferable interest under § 29-706.02(a)(3) or § 29-706.05(a)(5).”.

(B) Section 29-701.04(b) is amended as follows:

**Amend
§ 29-701.04**

(i) Strike the word “organized” and insert the word “formed” in its place.

(ii) Strike the period and insert the phrase “, regardless of whether for profit.” in its place.

(C) Section 29-701.05 is amended by striking the word “activities” and inserting the phrase “activities or affairs” in its place.

**Amend
§ 29-701.05**

(D) Section 29-701.06 is amended to read as follows:

**Amend
§ 29-701.06**

“§ 29-701.06. Governing law.

“The law of the District governs the internal affairs of a limited partnership and the liability of a partner for the debts, obligations, or other liabilities of a limited partnership.”.

(E) Section 29-701.07 is amended as follows:

(i) Subsection (b) is amended as follows:

(I) Paragraph (4) is amended by striking the phrase “§ 29-701.08” and inserting the phrase “§ 29-701.10” in its place.

(II) Paragraph (6) is amended by striking the phrase “Unreasonably reduce the duty of care under § 29-704.08(c)” and inserting the phrase “Relieve or exonerate a person from liability for conduct involving bad faith, willful misconduct, or recklessness” in its place.

(III) Paragraph (7) is amended by striking the word “obligation” and inserting the phrase “contractual obligation” in its place.

(IV) Paragraph (10) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place.

(V) Paragraph (11) is amended by striking the word “right” and inserting the phrase “right of a partner” in its place.

(VI) Paragraph (13) is amended to read as follows:

“(13) Relieve or exonerate a person from liability for conduct involving bad faith, willful or intentional misconduct, or knowing violation of the law;” .

(VII) Paragraph (14) is amended by striking the period and inserting a semicolon in its place.

(VIII) New paragraphs (15), (16), and (17) are added to read as follows:

“(15) Vary the right of a general partner under § 29-704.06(b)(2) to consent to an amendment to the certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership;

“(16) Vary the provisions of § 29-709.06, except that the partnership agreement may provide that the partnership may not have a special litigation committee;

“(17) Vary any requirement, procedure, or other provision of this title pertaining to:

“(A) Registered agents; or

“(B) The Mayor, including provisions pertaining to records authorized or required to be delivered to the Mayor for filing under this title.”.

(ii) New subsections (c) and (d) are added to read as follows:

“(c) Subject to subsection (b) of this section, but without limiting other terms that may be included in a partnership agreement, the following rules apply:

“(1) The partnership agreement may specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.

“(2) If not manifestly unreasonable, the partnership agreement may:

“(A) Restrict or eliminate aspects of the duty of loyalty stated in § 29-704.08(b);

“(B) Identify specific types or categories of activities and affairs that do not violate the duty of loyalty;

“(C) Alter the duty of care, but may not authorize willful or intentional misconduct or knowing violation of law; and

“(D) Alter or eliminate any other fiduciary duty.

“(d) The court shall decide as a matter of law any claim made under subsection (b)(7) or (c)(2) of this section that a term of a partnership agreement is manifestly unreasonable. The court:

“(1) Shall make its determination as of the time the challenged term became part of the partnership agreement and by considering only circumstances existing at that time; and

“(2) May invalidate the term only if, in light of the purposes, activities, and affairs of the limited partnership, it is readily apparent that:

“(A) The objective of the term is unreasonable; or

“(B) The term is an unreasonable means to achieve the provision’s objective.”.

(F) Sections 29-701.08 through 29-701.11 are redesignated as §§ 29-701.10 through 29-701.13, respectively.

**Redesignate
§§ 29-701.08 –
29-701.11**

(G) New sections 29-701.08 and 29-701.09 are added to read as follows:

“§ 29-701.08. Partnership agreement; effect on limited partnership and person becoming partner; preformation agreement.

**New
§ 29-701.08**

“(a) A limited partnership is bound by and may enforce the partnership agreement, whether or not the partnership has itself manifested assent to the partnership agreement.

“(b) A person that becomes a partner of a limited partnership is deemed to assent to the partnership agreement.

“(c) Two or more persons intending to become the initial partners of a limited partnership may make an agreement providing that upon the formation of the partnership the agreement will become the partnership agreement.

“§ 29-701.09. Partnership agreement; effect on third parties and relationship to records effective on behalf of limited partnership.

**New
§ 29-701.09**

“(a) A partnership agreement may specify that its amendment requires the approval of a person that is not a party to the agreement or the satisfaction of a condition. An amendment is ineffective if its adoption does not include the required approval or satisfy the specified condition.

“(b) The obligations of a limited partnership and its partners to a person in the person’s capacity as a transferee or person dissociated as a partner are governed by the partnership agreement. Subject only to a court order issued under § 29-707.03(b)(2) to effectuate a charging order, an amendment to the partnership agreement made after a person becomes a transferee or is dissociated as a partner:

“(1) Is effective with regard to any debt, obligation, or other liability of the limited partnership or its partners to the person in the person’s capacity as a transferee or person dissociated as a partner; and

“(2) Is not effective to the extent the amendment imposes a new debt, obligation, or other liability on the transferee or person dissociated as a partner.

“(c) If a record delivered by a limited partnership to the Mayor for filing becomes effective and contains a provision that would be ineffective under § 29-701.07(b) or (c)(2) if contained in the partnership agreement, the provision is ineffective in the record.

“(d) Subject to subsection (c) of this section, if a record delivered by a limited partnership to the Mayor for filing becomes effective and conflicts with a provision of the partnership agreement:

“(1) The agreement prevails as to partners, persons dissociated as partners, and transferees; and

“(2) The record prevails as to other persons to the extent they reasonably rely on the record.”.

(H) The newly designated section 29-701.10(9) is amended as follows:

**Amend
§ 29-701.10**

(i) Subparagraph (A) is amended by striking the phrase “The amount of cash, and a description and statement of the agreed value of the other benefits, contributed” and inserting the phrase “A description of the agreed value of contributions other than money made” in its place.

(ii) Subparagraph (D) is amended by striking the word “activities” and inserting the phrase “activities or affairs” in its place.

(3) Subchapter II is amended as follows:

(A) Section 29-702.01 is amended as follows:

**Amend
§ 29-702.01**

(i) Subsection (a)(3) is amended by striking the phrase “general partner” and inserting the phrase “general partner and the limited partnership’s principal office” in its place.

(ii) Subsection (c) is amended to read as follows:

“(c) If there has been substantial compliance with subsection (a) of this section, subject to subchapter II of Chapter 1 of this title, a limited partnership is formed when:

“(1) The certificate of limited partnership has become effective:

“(2) At least 2 persons have become partners;

“(3) At least one person has become a general partner; and

“(4) At least one person has become a limited partner.”.

(B) Section 29-702.02 is amended as follows:

**Amend
§ 29-702.02**

(i) Subsection (b)(3) is amended by striking the word “activities” and inserting the phrase “activities or affairs” in its place.

(ii) Subsection (c) is amended by striking the word “false” wherever it appears and inserting the word “inaccurate” in its place.

(C) Section 29-702.04(a) is amended as follows:

**Amend
§ 29-702.04**

(i) Paragraph (4) is amended by striking the word “activities” and inserting the phrase “activities or affairs” in its place.

(ii) Paragraph (7) is amended by striking the word “activities” and inserting the phrase “activities or affairs” in its place.

(D) Section 29-702.06 is amended as follows:

Amend
§ 29-702.06

(i) The heading is amended by striking the word “false” and inserting the word “inaccurate” in its place.

(ii) Subsection (a) is amended as follows:

(I) The lead-in language is amended by striking the word “false” and inserting the word “inaccurate” in its place.

(II) Paragraph (1) is amended by striking the word “false” and inserting the word “inaccurate” in its place.

(III) Paragraph (2) is amended by striking the word “false” wherever it appears and inserting the word “inaccurate” in its place.

(iii) Subsection (b) is amended by striking the word “perjury” and inserting the phrase “making false statements” in its place.

(4) Subchapter III is amended as follows:

(A) Section 29-703.01 is amended as follows:

Amend
§ 29-703.01

(i) The lead-in language is amended by designating the existing text as subsection (a).

(ii) Paragraph (1) is amended as follows:

(I) Strike the word “As” and insert the phrase “Upon formation, as” in its place.

(II) Strike the semicolon and insert the phrase “; or” in its place.

(iii) Paragraph (2) is amended to read as follows:

“(2) After formation, a person becomes a limited partner:

“(A) As provided in the partnership agreement;

“(B) As the result of a merger under subchapter X of this chapter or a transaction under Chapter 2 of this title;

“(C) With the consent of all the partners; or

“(D) As provided in § 29-708.01(4).”.

(iv) Paragraph (3) is repealed.

(v) A new subsection (b) is added to read as follows:

“(b) A person may become a limited partner without:

“(1) Acquiring a transferable interest; or

“(2) Making or being obligated to make a contribution to the limited partnership.”.

(B) Section 29-703.02 is amended to read as follows:

Amend
§ 29-703.02

“§ 29-703.02. No agency power of limited partner as limited partner.

“(a) A limited partner is not an agent of a limited partnership solely by reason of being a limited partner.

“(b) A person’s status as a limited partner does not prevent or restrict the law, other than in this title, from imposing liability on a limited partnership because of the person’s conduct.”.

(C) Section 29-703.03 is amended as follows:

Amend
§ 29-703.03

(i) The existing text is designated as subsection (a).

(ii) The newly designating subsection (a) is amended as follows:

(I) Strike the phrase “An obligation” and insert the phrase “A debt, obligation, or other liability” in its place.

(II) Strike the phrase “shall not be the obligation of” and insert the phrase “is not attributable to” in its place.

(III) Strike the phrase “an obligation” and insert the phrase “a debt, obligation, or other liability” in its place.

(iii) A new subsection (b) is added to read as follows:

“(b) The failure of a limited partnership to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground for imposing liability on a limited partner for a debt, obligation, or other liability of the partnership.”.

(D) Section 29-703.04(b) is amended by striking the word “activities” wherever it appears and inserting the phrase “activities and affairs” in its place.

Amend
§ 29-703.04

(E) Section 29-703.05 is amended as follows:

Amend
§ 29-703.05

(i) Subsection (c) is amended by striking the word “shall” and inserting the word “does” in its place.

(ii) A new subsection (d) is added to read as follows:

“(d) If a limited partner enters into a transaction with a limited partnership, the limited partner’s rights and obligations arising from the transaction are the same as those of a person that is not a partner.”.

(5) Subchapter IV is amended as follows:

(A) Section 29-704.01 is amended as follows:

Amend
§ 29-704.01

(i) The lead-in language is amended by designating the existing text as subsection (a).

(ii) The newly designated subsection (a)(1) and (2) is amended to read as follows:

“(1) Upon formation of a limited partnership, as agreed among the persons that are to be the initial partners; and

“(2) After formation:

“(A) As provided in the partnership agreement;

“(B) Under § 29-708.01(3)(B) following the dissociation of a limited partnership’s last general partner;

“(C) As the result of a merger under subchapter X of this chapter or a transaction under Chapter 2 of this title; or

“(D) With the consent of all the partners.”.

(iii) A new subsection (b) is added to read as follows:

“(b) A person may become a general partner without:

“(1) Acquiring a transferable interest; or

“(2) Making or being obligated to make a contribution to the partnership.”.

(B) Section 29-704.02 is amended as follows:

Amend
§ 29-704.02

(i) Subsection (a) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (b) is amended by striking the phrase “activities or activities” and inserting the phrase “activities or affairs or activities or affairs” in its place.

(iii) Subsection (c) is amended by striking the phrase “activities or activities” and inserting the phrase “activities or affairs or activities or affairs” in its place

(C) Section 29-704.03 is amended as follows:

**Amend
§ 29-704.03**

(i) Subsection (a) is amended by striking the word “activities” and inserting the phrase “activities or affairs” in its place.

(ii) Subsection (b) is amended by striking the word “activities” and inserting the phrase “activities or affairs” in its place.

(D) Section 29-704.04 is amended as follows:

**Amend
§ 29-704.04**

(i) Subsection (a) is amended by striking the word “obligations” and inserting the phrase “debts, obligations, and other liabilities” in its place.

(ii) Subsection (b) is amended by striking the phrase “shall not be personally liable for an obligation” and inserting the phrase “is not personally liable for a debt, obligation, or other liability” in its place.

(iii) Subsection (c) is amended to read as follows:

“(c) A debt, obligation, or other liability of a limited partnership incurred while the limited partnership is a limited partnership, whether arising in contract tort, or otherwise, and that is incurred while the limited partnership is a limited liability partnership, is solely an obligation of the limited partnership. A general partner shall not be personally liable, directly or indirectly, by way of contribution or otherwise, for such debt, obligation, or other liability solely by reason of being or acting as a general partner. This subsection shall apply despite anything inconsistent in the partnership agreement that existed immediately before the consent required to become a limited liability limited partnership under § 29-704.06(b)(2).”.

(iv) New subsections (d) and (e) are added to read as follows:

“(d) The failure of a limited liability limited partnership to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground for imposing liability on a general partner of the limited liability limited partnership for a debt, obligation, or liability of the partnership.

“(e) An amendment of a certificate of limited partnership which deletes a statement that the limited partnership is a limited liability limited partnership does not affect the limitation in this section on the liability of a general partner for a debt, obligation, or other liability of the limited partnership incurred before the amendment became effective.”.

(E) Section 29-704.06(a) is amended by striking the word “activities” wherever it appears and inserting the phrase “activities and affairs” in its place.

**Amend
§ 29-704.06**

(F) Section 29-704.08 is amended by adding new subsections (f), (g), and (h) to read as follows:

**Amend
§ 29-704.08**

“(f) All the partners of a limited partnership may authorize or ratify, after full disclosure of all material facts, a specific act or transaction by a general partner that otherwise would violate the duty of loyalty.

“(g) It is a defense to a claim under subsection (b)(2) of this section and any comparable claim in equity or at common law that the transaction was fair to the limited partnership.

“(h) If, as permitted by subsection (f) of this section or the partnership agreement, a general partner enters into a transaction with the limited partnership which otherwise would be prohibited by subsection (b)(2) of this section, the general partner’s rights and obligations arising from the transaction are the same as those of a person that is not a general partner.”.

(G) A new section 29-704.09 is added to read as follows:

New
§ 29-704.09

“§ 29-704.09. Reimbursement, indemnification, advancement, and insurance.

“(a) A limited partnership shall reimburse a general partner for any payment made by the general partner in the course of the general partner’s activities on behalf of the partnership, if the general partner complied with §§ 29-704.06, 29-704.08, and 29-705.09 in making the payment.

“(b) A limited partnership shall indemnify and hold harmless a person with respect to any claim or demand against the person and any debt, obligation, or other liability incurred by the person by reason of the person’s former or present capacity as a general partner, if the claim, demand, debt, obligation, or other liability does not arise from the person’s breach of § 29-704.06, 29-704.08, or 29-705.09.

“(c) In the ordinary course of its activities and affairs, a limited partnership may advance reasonable expenses, including attorney’s fees and costs, incurred by a person in connection with a claim or demand against the person by reason of the person’s former or present capacity as a general partner, if the person promises to repay the partnership if the person ultimately is determined not to be entitled to be indemnified under subsection (b) of this section.

“(d) A limited partnership may purchase and maintain insurance on behalf of a general partner against liability asserted against or incurred by the general partner in that capacity or arising from that status even if, under § 29-701.07(b)(6), the partnership agreement could not eliminate or limit the person’s liability to the partnership for the conduct giving rise to the liability.”.

(6) Subchapter V is amended as follows:

(A) Section 29-705.01 is amended by striking the phrase “tangible or intangible property or other benefit to the limited partnership, including money, services performed, promissory notes, other agreements to contribute cash or property, and contracts for services to be performed” and inserting the phrase “property transferred, services performed, or another benefit provided to the partnership or an agreement to transfer property, perform services, or provide another benefit to the partnership” in its place.

Amend
§ 29-705.01

(B) Section 29-705.02 is amended by striking the word “contribution” in the heading and inserting the word “contributions” in its place.

Amend
§ 29-705.02

(C) Section 29-705.06 is amended by striking the word “cash” and inserting the word “money” in its place.

Amend
§ 29-705.06

(D) Section 29-705.07 is amended by striking the word “When” and inserting the word “If” in its place.

Amend
§ 29-705.07
Amend
§ 29-705.08

(E) Section 29-705.08 is amended as follows:

(i) Subsection (b) is amended as follows:

(I) The lead-in language is amended by striking the word “distribution” and inserting the phrase “distribution, including a distribution under § 29-708.09,” in its place.

(II) Paragraph (1) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(III) Paragraph (2) is amended as follows:

(aa) Strike the word “plus” and insert the phrase “plus, unless the partnership agreement permits otherwise,” in its place.

(bb) Strike the word “partners” and insert the phrase “partners and transferees” in its place.

(ii) Subsection (d) is amended to read as follows:

“(d) Except as otherwise provided in subsection (g) of this section, the effect of a distribution under subsection (b) of this section shall be measured:

“(1) In the case of distribution, as defined in § 29-701.02(3), as of the earlier of:

“(A) The date money or other property is transferred or debt is incurred by the limited partnership; or

“(B) The date the person entitled to the distribution ceases to own the interest or right being acquired by the partnership in return for the distribution;

“(2) In the case of any other distribution of indebtedness, as of the date the indebtedness is distributed; and

“(3) In all other cases, as of the date:

“(A) The distribution is authorized, if the payment occurs not later than 120 days after that date; or

“(B) The payment is made, if payment occurs more than 120 days after the distribution is authorized.”.

(iii) A new subsection (h) is added to read as follows:

“(h) In measuring the effect of a distribution under § 29-705.03, the debts, obligations, and other liabilities of a dissolved limited partnership do not include any claim that has been disposed of under § 29-708.06, 29-708.07, or 29-708.08.”.

(7) Subchapter VI is amended as follows:

(A) Section 29-706.01(a) is amended by striking the word “termination” and inserting the phrase “completion of the winding up” in its place.

Amend
§ 29-706.01

(B) Section 29-706.02(b) is amended by striking the phrase “shall not of itself discharge the person from any obligation” and inserting the phrase “does not itself discharge the person from any debt, liability, or other obligation” in its place.

Amend
§ 29-706.02

(C) Section 29-706.03(12) is amended as follows:

(i) The lead-in language is amended by striking the word shall;

Amend
§ 29-706.03

(ii) Subparagraph (A) is amended by adding the word “Does” before the word “Not”.

(iii) Subparagraph (B) is amended by striking the word “Survive” and inserting the word “Survives”

(D) Section 29-706.04(b)(2) is amended by striking the word “termination” and inserting the phrase “completion of the winding up” in its place.

Amend
§ 29-706.04

(E) Section 29-706.05 is amended as follows:

Amend
§ 29-706.05

(i) Subsection (a)(1) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (b) is amended by striking the word “obligation” and inserting the phrase “debt, liability, or other obligation” in its place.

(F) Section 29-706.06(a) is amended by striking the word “merged” and inserting the phrase “merged out of existence, converted, or domesticated” in its place.

Amend
§ 29-706.06

(G) Section 29-706.07 is amended as follows:

Amend
§ 29-706.07

(i) Subsection (a) is amended as follows:

(I) Strike the phrase “an obligation” and insert the phrase “a debt, obligation, or other liability” in its place.

(II) Strike the word “obligation” and insert the phrase “a debt, obligation, or other liability” in its place.

(ii) Subsection (b) is amended as follows:

(I) Strike the word “activities” and insert the phrase “activities and affairs” in its place.

(II) Strike the phrase “an obligation” and insert the phrase “a debt, obligation, or other liability” in its place.

(iii) Subsection (c) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iv) Subsection (d) is amended by striking the phrase “an obligation” and inserting the phrase “a debt, liability, or other obligation” in its place.

(v) Subsection (e) is amended as follows:

(I) Strike the phrase “an obligation” and insert the phrase “a debt, obligation, or other liability” in its place.

(II) Strike the word “obligation” and insert the phrase “a debt, obligation, or other liability” in its place.

(8) Subchapter VII is amended as follows:

(A) Section 29-707.01 is amended by striking the phrase “Except as otherwise provided in subchapter X of this chapter or Chapter 2 of this title, the only interest of a partner which is transferable shall be partner’s transferable interest. The interest of a partner, whether or not transferable, shall be” and inserting the phrase “A transferable interest is” in its place.

Amend
§ 29-707.01

(B) Section 29-707.02 is amended as follows:

Amend
§ 29-707.02

(i) Subsection (a) is amended as follows:

(I) Paragraph (2) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (3) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place

(ii) Subsection (b)(2) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iii) A new subsection (h) is added to read as follows:

“(h) A transferable interest may be evidenced by a certificate of the interest issued by a limited partnership in a record, and, subject to this section, the interest represented by the certificate may be transferred by a transfer of the certificate.”.

(C) Section 29-707.03 is amended to read as follows:

Amend
§ 29-707.03

“§ 29-707.03. Charging order.

“(a) On application by a judgment creditor of a partner or transferee, the Superior Court may enter a charging order against the transferable interest of the judgment debtor for the unsatisfied amount of the judgment. A charging order constitutes a lien on a judgment debtor’s transferable interest and requires the limited partnership to pay over to the person to which the charging order was issued any distribution that otherwise would be paid to the judgment debtor.

“(b) To the extent necessary to effectuate the collection of distributions pursuant to a charging order in effect under subsection (a) of this section, the Superior Court may:

“(1) Appoint a receiver of the distributions subject to the charging order, with the power to make all inquiries the judgment debtor might have made; and

“(2) Make all other orders necessary to give effect to the charging order.

“(c) Upon a showing that distributions under a charging order will not pay the judgment debt within a reasonable time, the Superior Court may foreclose the lien and order the sale of the transferable interest. The purchaser at the foreclosure sale obtains only the transferable interest, does not thereby become a partner, and is subject to § 29-707.02.

“(d) At any time before foreclosure under subsection (c) of this section, the partner or transferee whose transferable interest is subject to a charging order under subsection (a) of this section may extinguish the charging order by satisfying the judgment and filing a certified copy of the satisfaction with the Superior Court.

“(e) At any time before foreclosure under subsection (c) of this section, a limited partnership or one or more partners whose transferable interests are not subject to the charging order may pay to the judgment creditor the full amount due under the judgment and thereby succeed to the rights of the judgment creditor, including the charging order.

“(f) This chapter does not deprive any partner or transferee of the benefit of any exemption law applicable to the transferable interest of the partner or transferee.

“(g) This section provides the exclusive remedy by which a person seeking to enforce a judgment against a partner or transferee may, in the capacity of a judgment creditor, satisfy the judgment from the judgment debtor’s transferable interest.”.

(D) Section 29-707.04 is amended by striking the word “estate” in the heading and inserting the phrase “legal representative” in its place.

Amend
§ 29-707.04

(9) Subchapter VIII is amended as follows:

(A) Section 29-708.01 is amended as follows:

Amend
§ 29-708.01

(i) The lead-in language is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Paragraph (3)(B)(i) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(B) Section 29-708.02 is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

Amend
§ 29-708.02

(C) Section 29-708.03 is amended as follows:

Amend
§ 29-708.03

(i) Subsection (a) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (b) is amended as follows:

(I) The lead-in language is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (2) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iii) Subsection (c) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iv) Subsection (d) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(D) Section 29-708.04 is amended as follows:

Amend
§ 29-708.04

(i) Subsection (a) is amended as follows:

(I) Paragraph (1) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (2) is amended by striking the word “notice” and inserting the phrase “notice or knowledge” in its place.

(ii) Subsection (b)(2)(B) is amended by striking the word “notice” and inserting the phrase “notice or knowledge” in its place.

(E) Section 29-708.05(a) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

Amend
§ 29-708.05

(F) Section 29-708.09(a) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

Amend
§ 29-708.09

(G) New sections 29-708.10 and 29-708.11 are added to read as follows:

“§ 29-708.10. Rescinding dissolution.

New
§ 29-708.10

“(a) A limited partnership may rescind its dissolution, unless a statement of termination applicable to the partnership is effective, the Superior Court has entered an order under § 29-708.02 dissolving the partnership, or the Mayor has dissolved the partnership under § 29-106.02.

“(b) Rescinding dissolution under this section requires:

“(1) The consent of each partner; and

“(2) If the limited partnership has delivered to the Mayor for filing an amendment to the certificate of limited partnership stating that the partnership is dissolved and if:

“(A) The amendment is not effective, the filing by the partnership of a statement of withdrawal under § 29-102.04 applicable to the amendment; or

“(B) The amendment is effective, the delivery by the partnership to the Mayor for filing of an amendment to the certificate of limited partnership stating that dissolution has been rescinded under this section.

“(c) If a limited partnership rescinds its dissolution:

“(1) The partnership resumes carrying on its activities and affairs as if dissolution had never occurred;

“(2) Subject to paragraph (3) of this subsection, any liability incurred by the partnership after the dissolution and before the rescission is effective is determined as if dissolution had never occurred; and

“(3) The rights of a third party arising out of conduct in reliance on the dissolution before the third party knew or had notice of the rescission may not be adversely affected.

“§ 29-708.11. Court proceedings.

New
§ 29-708.11

“(a) A dissolved limited partnership that has published a notice under § 29-708.06(b) may file an application with the Superior Court, or, if the principal office is not located in the District, in an appropriate court where the company’s principal office is located, for a determination of the amount and form of security to be provided for payment of claims that are contingent, have not been made known to the partnership, or are based on an event occurring after the effective date of dissolution but which, based on the facts known to the partnership, are reasonably expected to arise after the effective date of dissolution. Security is not required for any claim that is or is reasonably anticipated to be barred under § 29-708.06(c).

“(b) Not later than 10 days after the filing of an application under subsection (a) of this section, the dissolved limited partnership shall give notice of the proceeding to each claimant holding a contingent claim known to the partnership.

“(c) In a proceeding brought under this section, the court may appoint a guardian ad litem to represent all claimants whose identities are unknown. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, must be paid by the dissolved limited partnership.

“(d) A dissolved limited partnership that provides security in the amount and form ordered by the court under subsection (a) of this section satisfies the partnership’s obligations with respect to claims that are contingent, have not been made known to the partnership, or are based on an event occurring after the effective date of dissolution, and such claims may not be enforced against a partner or transferee that received assets in liquidation.”.

(10) Subchapter IX is amended as follows:

(A) Section 29-709.01(a) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

Amend
§ 29-709.01

(B) Section 29-709.05 is amended by adding a new subsection (c) to read as follows:

Amend
§ 29-709.05

“(c) A derivative action on behalf of a limited partnership may not be voluntarily dismissed or settled without the Superior Court’s approval.”.

(C) A new section 29-709.06 is added to read as follows:

New
§ 29-709.06

“§ 29-709.06. Special litigation committee.

“(a) If a limited partnership is named as or made a party in a derivative proceeding, the partnership may appoint a special litigation committee to investigate the claims asserted in the proceeding and determine whether pursuing the action is in the best interests of the partnership. If the partnership appoints a special litigation committee, on motion by the committee made in the name of the partnership, except for good cause shown, the Superior Court shall stay discovery for the time reasonably necessary to permit the committee to complete its investigation. This subsection does not prevent the court from enforcing a person’s right to information under § 29-703.04 or 29-704.07 or, for good cause shown, granting extraordinary relief in the form of a temporary restraining order or preliminary injunction.

“(b) A special litigation committee may be composed of one or more disinterested and independent individuals, who may be partners.

“(c) A special litigation committee may be appointed:

“(1) By a majority of the general partners not named as defendants or plaintiffs in the proceeding; and

“(2) If all general partners are named as defendants or plaintiffs in the proceeding, by a majority of the general partners named as defendants.

“(d) After appropriate investigation, a special litigation committee may determine that it is in the best interests of the limited partnership that the proceeding:

“(1) Continue under the control of the plaintiff;

“(2) Continue under the control of the committee;

“(3) Be settled on terms approved by the committee; or

“(4) Be dismissed.

“(e) After making a determination under subsection (d) of this section, a special litigation committee shall file with the Superior Court a statement of its determination and its report supporting its determination and shall serve each party with a copy of the determination and report. The court shall determine whether the members of the committee were disinterested and independent and whether the committee conducted its investigation and made its recommendation in good faith, independently, and with reasonable care, with the committee having the burden of proof. If the court finds that the members of the committee met their burden of proof, were disinterested and independent, and that the committee acted in good faith, independently, and with reasonable care, the court shall enforce the determination of the committee. Otherwise, the court shall dissolve the stay of discovery entered under subsection (a) of this section and allow the action to proceed under the direction of the plaintiff.”.

(h) Chapter 8 is amended as follows:

(1) The table of contents is amended as follows:

(A) The section heading for section 29-804.08 is amended by striking the word “Indemnification” and inserting the phrase “Reimbursement, indemnification, advancement” in its place.

Chapter 8
Table of
Contents
§29-804.08

(B) The section heading for section 29-807.05 is amended by striking the period and inserting the phrase “and affairs.” in its place.

§29-807.05

(C) New subsection headings for sections 29-807.06 and 29-807.07 are added to read as follows:

“29-807.06. Rescinding dissolution.

§29-807.06

“29-807.07. Court proceedings.”.

§29-807.07

(2) Subchapter I is amended as follows:

(A) Section 29-801.02 is amended as follows:

Amend
§ 29-801.02

(i) Paragraph (1) is amended by striking the word “means” and inserting the phrase “, except when referring to a right of contribution, means” in its place.

(ii) Paragraph (3) is amended to read as follows:

“(3) Distribution” means a transfer of money or other property from a limited liability company to another person on account of a transferable interest or in the person’s capacity as a member.

“(A) The term includes:

“(i) A redemption or other purchase by a limited liability company of a transferable interest; and

“(ii) A transfer to a member in return for the member’s relinquishment of any right to participate as a member in the management or conduct of the company’s activities and affairs or to have access to records or other information concerning the company’s activities and affairs.

“(B) The term does not include amounts constituting reasonable compensation for present or past services or payments made in the ordinary course of business under a bona fide retirement plan or other bona fide benefits program.”.

(iii) Paragraph (5) is amended by striking the phrase “ and denominated by that law as a limited liability company” and inserting the phrase “which would be a limited liability company if formed under the law of the District” in its place.

(iv) Paragraph (8) is amended by striking the phrase “under § 29-804.01” and inserting the phrase “under § 29-804.01, or was a member in a limited liability company when the company became subject to this chapter under § 29-810.01,” in its place.

(v) Paragraph (12) is redesignated as paragraph (13).

(vi) A new paragraph (12) is added to read as follows:

“(12) “Transferable interest” means the right, as initially owned by a person in the person’s capacity as a member, to receive distributions from a limited liability company in accordance with the operating agreement, whether or not the person remains a member or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned.”.

(B) Section 29-801.03(d)(2)(C) is amended to read as follows:

Amend
§ 29-801.03

“(C) Participation in a merger, interest exchange, conversion, or domestication, 90 days after the articles of merger, interest exchange, conversion, or

domestication under subchapter IX of this chapter or under Chapter 2 of this title becomes effective.”.

(C) Section 29-801.04(a) is amended by striking the word “members” and inserting the phrase “member or members” in its place. **Amend § 29-801.04**

(D) Section 29-801.05 is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place. **Amend § 29-801.05**

(E) Section 29-801.07 is amended as follows: **Amend § 29-801.07**

(i) Subsection (a)(3) is amended by striking the word “activities” wherever it appears and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (c) is amended as follows:

(I) Paragraph (3) is amended by striking the phrase “power of the court under” and inserting the phrase “provisions of” in its place.

(II) Paragraph (5) is amended as follows:

(aa) Strike the phrase “Subject to subsections (d) through (g) of this section, eliminate” and insert the word “Eliminate” in its place.

(bb) Strike the semicolon and insert the phrase “, but the operating agreement may prescribe the standards, if not manifestly unreasonable, by which the performance of the obligation is to be measured;” in its place.

(III) Paragraph (7) is amended by striking the phrase “power of a court to decree dissolution in the circumstances” and inserting the phrase “causes of dissolution” in its place.

(IV) Paragraph (8) is amended as follows:

(aa) Strike the word “business” and insert the phrase “activities and affairs” in its place.

(bb) Strike the phrase “§ 29-807.02(a) and (b)(1)” and insert the phrase “§ 29-807.02” in its place.

(V) Paragraph (10) is amended by striking the phrase “; or” and inserting a semicolon in its place.

(VI) Paragraph (11) is amended by striking the phrase “§ 29-801.09(b)” and inserting the phrase “§29-801.08 or 29-801.09(b)” in its place.

(VII) New paragraphs (12), (13), and (14) are added to read as follows:

“(12) Vary any requirement, procedure, or other provision of this title pertaining to:

“(A) Registered agents; or

“(B) The Mayor, including provisions pertaining to records authorized or required to be delivered to the Mayor for filing under this chapter;

“(13) Relieve or exonerate a person from liability for conduct involving bad faith, willful or intentional misconduct, or knowing violation of the law; or

“(14) Vary the provisions of § 29-808.05, except that the operating agreement may provide that the company may not have a special litigation committee.”.

(VIII) A new paragraph (17) is added to read as follows:

“(17) Vary the power of a person to dissociate under §29-807.01, except to require that notice of dissociation be in a record.”.

(iii) Subsection (d) is amended to read as follows:

“(d) Subject to subsection (c) of this section, without limiting other terms that may be included in an operating agreement, the following rules apply:

“(1) The operating agreement may specify the method by which a specific act or transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one or more disinterested and independent persons after full disclosure of all material facts.

“(2) To the extent the operating agreement of a member-managed limited liability company expressly relieves a member of a responsibility that the member would otherwise have under this chapter and imposes the responsibility on one or more other members, the operating agreement may, to the benefit of the member that the operating agreement relieves of the responsibility, also eliminate or limit any fiduciary duty that would have pertained to the responsibility.

“(3) If not manifestly unreasonable, the operating agreement may:

“(A) Restrict or eliminate the aspects of the duty of loyalty stated in § 29-804.09;

“(B) Identify specific types or categories of activities and affairs that do not violate the duty of loyalty;

“(C) Alter the duty of care, but may not authorize willful or intentional misconduct or knowing violation of law; and

“(D) Alter or eliminate any other fiduciary duty.”.

(iv) Subsections (e) through (g) are repealed.

(v) Subsection (h) is amended as follows:

(I) The lead-in language is amended by striking the phrase “any claim under subsection (d)” and inserting the phrase “, as a matter of law, any claim under subsection (c)(5) or (d)(3) of this section” in its place.

(II) Paragraph (2) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(F) Section 29-801.09 is amended as follows:

**Amend
§ 29-801.09**

(i) Subsection (b) is amended by striking the period and inserting the phrase “and is not effective to the extent the amendment imposes a new debt, obligation, or other liability on the transferee or person dissociated as a member.” in its place.

(ii) Subsection (c) is amended by striking the phrase “§ 29-801.07(c)” and inserting the phrase “§ 29-801.07(c) or (d)(3)” in its place.

(3) Subchapter II is amended as follows:

(A) Section 29-802.01 is amended as follows:

**Amend
§ 29-802.01**

(i) Subsection (c) is amended by striking the phrase “subsection (b) of this subsection” and inserting the phrase “subsection (b) of this subsection, but may not vary

or otherwise affect the provisions of § 29-801.07(c) in a manner inconsistent with that section” in its place.

(ii) Subsection (d) is amended to read as follows:

“(d) A limited liability company is formed when the Mayor has filed the company’s certificate of organization and it becomes effective and at least one person becomes a member.”.

(iii) Subsection (e) is repealed.

(B) Section 29-802.02 is amended as follows:

**Amend
§ 29-802.02**

(i) Subsection (b)(2) is amended by striking the word “certificate” and inserting the phrase “initial certificate” in its place.

(ii) Subsection (c) is amended as follows:

(I) The lead-in language is amended by striking the phrase “, stating:” and inserting a period in its place.

(II) Paragraphs (1) through (3) are repealed.

(iii) Subsection (d) is repealed.

(vi) Subsections (e) and (f) are redesignated as subsections (d) and (e), respectively.

(C) Section 29-802.03 is amended as follows:

**Amend
§ 29-802.03**

(i) Subsection (a) is amended as follows:

(I) The lead-in language is amended by striking the word “(a)”.

(II) Paragraph (1) is amended by striking the phrase “paragraphs (2) through (4)” and inserting the phrase “paragraph (2) and (3) in its place.

(III) Paragraph (3) is repealed.

(IV) Paragraph (4) is redesignated as paragraph (3).

(V) The newly designated paragraph (3) is amended by striking the word “activities” wherever it appears and inserting the phrase “activities and affairs” in its place.

(VI) Paragraph (5) is repealed.

(VII) Paragraphs (6) and (7) are redesignated as paragraphs (4) and (5), respectively.

(VIII) The newly designated paragraph (5) is amended by striking the phrase “shall be signed by the person on whose behalf the record is delivered to the Mayor” and inserting the phrase “delivered to the Mayor for filing on behalf of a person shall be signed by that person” in its place.

(ii) Subsection (b) is amended to read as follows:

“(b) A person that signs a record as an agent or legal representative thereby affirms that the person is authorized to sign the record.”.

(D) Section 29-802.04 is amended by adding a new subsection (c) to read as follows:

**Amend
§ 29-802.04**

“(c) A record filed under subsection (a)(3) of this section is effective without being signed.”.

(E) Section 29-802.05(c) is amended by striking the word “perjury” and inserting the phrase “making false statements” in its place.

**Amend
§ 29-802.05**

(F) Section 29-802.06 is amended as follows:

**Amend
§ 29-802.06**

(i) Subsection (b)(4) is amended as follows:

(I) Strike the phrase “filed with the Mayor” and insert the phrase “delivered to the Mayor for filing” in its place.

(II) Strike the phrase “,”and paid the requisite fee for,” and insert the phrase “and paid the requisite fee for” in its place.

(ii) Subsection (j) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(4) Subchapter III is amended as follows:

(A) Section 29-803.04 is amended as follows:

**Amend
§ 29-803.04**

(i) Subsection (a)(2) is amended by striking the period and inserting the phrase “regardless of the dissolution of the company.” in its place.

(ii) Subsection (b) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(B) Section 29-803.04 is amended as follows:

(i) Subsection (a)(2) is amended by striking the period and inserting the phrase “regardless of the dissolution of the company.” in its place.

(ii) Subsection (b) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(5) Subchapter IV is amended as follows:

(A) Section 29-804.01(c)(4) is amended to read as follows:

**Amend
§ 29-804.01**

“(4) As provided in § 29-807.01(a)(3).”.

(B) Section 29-804.02 is amended by striking the phrase “tangible or intangible property or other benefit to a limited liability company, including money, services performed, promissory notes, other agreements to contribute money or property, and contracts for services to be performed” and inserting the phrase “property transferred, services performed, or another benefit provided to the limited liability company or an agreement to transfer property, perform services, or provide another benefit to the company” in its place.

**Amend
§ 29-804.02**

(C) Section 29-804.03 is amended as follows:

**Amend
§ 29-804.03**

(i) Subsection (a) is amended by striking the phrase “make a required contribution, the person or the person’s estate shall be” and inserting the phrase “fulfill an obligation, other than a monetary obligation, the person is” in its place.

(ii) Subsection (b) is amended as follows:

(I) Add the following sentence at the beginning:

“The obligation of a person to make a contribution may be compromised only by consent of all members.”.

(II) Strike the phrase “may enforce” and insert the phrase “without notice of a compromise under this subsection may enforce” in its place.

(D) Section 29-804.04(d) is amended by adding the following new sentence at the end:

Amend
§ 29-804.04

“However, the company’s obligation to make a distribution is subject to offset for any amount owed to the company by the member or a person dissociated as a member on whose account the distribution is made.”.

(E) Section 29-804.05 is amended as follows:

Amend
§ 29-804.05

(i) Subsection (a) is amended as follows:

(I) The lead-in language is amended by striking the word “distribution” the first time it appears and inserting the phrase “distribution, including a distribution under § 29-807.05(c),” in its place.

(II) Paragraph (1) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(III) Paragraph (2) is amended as follows:

(aa) Strike the word “plus” and insert the phrase “plus, unless the operating agreement permits otherwise,” in its place.

(bb) Strike the phrase “, if the company were to be dissolved” and insert the phrase “if the company were to be dissolved”.

(cc) Strike the word “members” and insert the phrase “members and transferees” in its place.

(ii) Subsection (c) is amended as follows:

(I) The lead-in language is amended by striking the phrase “subsection (f)” and inserting the phrase “subsections (e) and (f)” in its place.

(II) Paragraph (1) is amended as follows:

(aa) Strike the phrase “by purchase, redemption, or other acquisition of a transferable interest in the company, as of” and insert the phrase “as defined in § 29-801.02(3), as of the earlier of (i)” in its place.

(bb) Strike the phrase “; and” and insert the phrase “or (ii) the date the person entitled to the distribution ceases to own the interest or right being acquired by the company in return for the distribution;” in its place.

(III) Paragraph (2) is redesignated as paragraph (3).

(IV) A new paragraph (2) is added to read as follows:

“(2) In the case of any other distribution of indebtedness, as of the date the indebtedness is distributed; and”.

(iii) Subsection (d) is amended as follows:

(I) Strike the word “member” and insert the phrase “member or transferee” in its place.

(II) Strike the period and insert the phrase “, except to the extent subordinated by agreement.” in its place.

(iv) Subsection (g) is amended to read as follows:

“(g) In measuring the effect of a distribution under § 29-807.05, the liabilities of a dissolved limited liability company do not include any claim that has been disposed of under § 29-807.03, § 29-807.04, or § 29-807.07.”.

(F) Section 29-804.07 is amended as follows:

Amend
§ 29-804.07

(i) Subsection (b) is amended as follows:

(I) Paragraph (1) is amended by striking the word “The” and inserting the phrase “Except as otherwise expressly provided in this chapter, the” in its place.

(II) Paragraph (2) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(III) Paragraph (3) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(IV) Paragraph (4) is amended by striking the phrase “activities of the company shall” and inserting the phrase “activities and affairs of the company may” in its place.

(V) Paragraph (5) is amended by striking the word “shall” and inserting the word “may” in its place.

(ii) Subsection (c) is amended as follows:

(I) Paragraph (1) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (2) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(III) Paragraph (3) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(IV) Paragraph (4) is amended as follows:

(aa) Subparagraph (A) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(bb) Subparagraph (C) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iii) Subsection (f) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iv) New subsections (g) and (h) are added to read as follows:

“(g) A limited liability company shall reimburse a member for an advance to the company beyond the amount of capital the member agreed to contribute.

“(h) A payment or advance made by a member which gives rise to an obligation of the limited liability company under subsection (g) of this section or under § 29-804.08(a) constitutes a loan to the company which accrues interest from the date of the payment or advance.”.

(G) Section 29-804.08 is amended as follows:

Amend
§ 29-804.08

(i) The section heading is amended by striking the word “Indemnification” and inserting the phrase “Reimbursement, indemnification, advancement,” in its place.

(ii) Subsection (b) is amended by striking the phrase “§ 29-801.07(g)” and inserting the phrase “§ 29-801.07(c)(13)” in its place.

(iii) A new subsection (c) is added to read as follows:

“(c) In the ordinary course of its activities and affairs, a limited liability company may advance reasonable expenses, including attorney’s fees and costs, incurred by a person in connection with a claim or demand against the person by reason of the person’s former or present capacity as a member or manager, if the person promises to repay the company if the person ultimately is determined not to be entitled to be indemnified under subsection (a) of this section.”.

(H) Section 29-804.09 is amended as follows:

Amend
§ 29-804.09

(i) Subsection (a) is amended by striking the word “fiduciary”.

(ii) Subsection (b) is amended as follows:

(I) Paragraph (1)(A) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (2) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(III) Paragraph (3) is amended striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iii) Subsection (c) is amended to read as follows:

“(c) The duty of care of a member of a member-managed limited liability company in the conduct or winding up of the company’s activities and affairs requires the member to refrain from engaging in grossly negligent or reckless conduct, willful or intentional misconduct, or a knowing violation of law.”.

(iv) Subsection (d) is amended by striking the word “duties” and inserting the phrase “duties and obligations” in its place.

(v) Subsection (g) is redesignated as subsection (i).

(vi) New subsections (g) and (h) are added to read as follows:

“(g) A member does not violate a duty or obligation under this chapter or under the operating agreement solely because the member’s conduct furthers the member’s own interest.

“(h) If, as permitted by subsection (f) of this section or the operating agreement, a member enters into a transaction with the limited liability company which otherwise would be prohibited by subsection (b)(2) of this section, the member’s rights and obligations arising from the transaction are the same as those of a person that is not a member.”.

(vii) The newly designated subsection (i)(4) is amended by striking the phrase “Subsection (f)” and inserting the phrase “Subsections (f) and (g)” in its place.

(I) Section 29-804.10 is amended as follows:

Amend
§ 29-804.10

(i) Subsection (a) is amended as follows:

(I) Paragraph (1) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (2) is amended as follows:

(aa) Subparagraph (A) is amended by striking the

word “activities” and inserting the phrase “activities and affairs” in its place.

(bb) Subparagraph (B) by amending by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (b)(2) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iii) Subsection (g) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(6) Subchapter V is amended as follows:

(A) Section 29-805.01 is amended by striking the phrase “shall be” and inserting the word “is” in its place.

Amend
§ 29-805.01

(B) Section 29-805.02 is amended as follows:

Amend
§ 29-805.02

(i) Subsection (a) is amended as follows:

(I) The lead-in language is amended by striking the phrase “A transfer” and inserting the phrase “Subject to § 29-805.03(f), a transfer” in its place.

(II) Paragraph (2) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(III) Paragraph (3) is amended as follows:

(aa) Subparagraph (A) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(bb) Subparagraph (B) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (h) is amended by striking the word “When” and inserting the word “If” in its place.

(C) Section 29-805.03 is amended as follows:

Amend
§ 29-805.03

(i) Subsection (a) is amended by striking the phrase “A charging order shall constitute” and inserting the phrase “Except as otherwise provided in subsection (f) of this section, a charging order constitutes” in its place.

(ii) Subsection (c) is amended by striking the phrase “The purchaser” and inserting the phrase “Except as otherwise provided in subsection (f) of this section, the purchaser” in its place.

(iii) Subsections (f) and (g) are redesignated as subsections (g) and (h), respectively.

(iv) A new subsection (f) is added to read as follows:

“(f) If a court orders foreclosure of a charging order lien against the sole member of a limited liability company:

“(1) The court shall confirm the sale;

“(2) The purchaser at the sale obtains the member’s entire interest, not only the member’s transferable interest;

“(3) The purchaser thereby becomes a member; and

“(4) The person whose interest was subject to the foreclosed charging order is dissociated as a member.”.

(7) Subchapter VI is amended as follows:

(A) Section 29-806.01(b)(2) is amended by striking the word “termination” and inserting the phrase “completion of the winding up” in its place.

Amend
§ 29-806.01

(B) Section 29-806.02 is amended as follows:

Amend
§ 29-806.02

(i) Paragraph (4)(A) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Paragraph (5)(A) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iii) Paragraph (8) is amended by striking the word “trust” and inserting the phrase “testamentary or inter vivos trust” in its place.

(iv) Paragraph (10) is amended by striking the phrase “partnership, limited liability company” and inserting the phrase “unincorporated entity” in its place.

(v) Paragraph (12) is amended by striking the word “or”.

(vi) Paragraph (13) is redesignated as paragraph (15).

(vii) New paragraphs (13) and (14) are added to read as follows:

“(13) The company participates in an interest exchange under Chapter 2 of this title and, as a result of the interest exchange, the person ceases to be a member;

“(14) The person’s entire interest is transferred in a foreclosure sale under § 29-805.03(f); or”.

(viii) The newly redesignated paragraph (15) is amended by striking the word “terminates” and inserting the phrase “dissolves and completes winding up” in its place.

(C) Section 29-806.03(a) is amended as follows:

Amend
§ 29-806.03

(i) Paragraph (1) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Paragraph (2) is amended by striking the phrase “fiduciary duties as a member shall” and inserting the phrase “duties and obligations under § 29-804.09” in its place.

(8) Subchapter VII is amended as follows:

(A) Section 29-807.01(a) is amended as follows:

Amend
§ 29-807.01

(i) The lead-in language is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Paragraph (3) is amended to read as follows:

“(3) The passage of 90 consecutive days during which the company has no members, unless:

“(A) Consent to admit at least one specified person as a member is given by transferees owning the rights to receive a majority of distributions as transferees at the time the consent is to be effective; and

“(B) At least one person becomes a member in accordance with the consent;”.

(iii) Paragraph (4) is amended as follows:

(I) Subparagraph (A) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(II) Subparagraph (B) is amended as follows:

(aa) Strike the word “activities” and insert the phrase “activities and affairs” in its place.

(bb) Strike the phrase “; or” and insert a period in its place.

(iv) A new paragraph (6) is added to read as follows:

“(6) The signing and filing of a statement of administrative dissolution by the Mayor under § 29-106.02.”.

(B) Section 29-807.02 is amended as follows:

Amend
§ 29-807.02

(i) Subsection (a) is amended as follows:

(I) Strike the word “activities” and insert the phrase “activities and affairs” in its place.

(II) Strike the phrase “the company shall continue” and insert the phrase “, except as otherwise provided in § 29-807.06, shall continue” in its place.

(ii) Subsection (b) is amended as follows:

(I) The lead-in language is amended by striking the phrase “activities” and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (1)(A) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(III) Paragraph (2)(A) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iii) Subsection (c) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(iv) Subsection (d) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(v) Subsection (e) is amended as follows:

(I) The lead-in language is amended by striking the word “activities” the first time it appears and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (2)(B) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(C) Section 29-807.04(d) is amended by striking the phrase “this section” and inserting the phrase “this section or § 29-807.03” in its place.

Amend
§ 29-807.04

(D) Section 29-807.05 is amended as follows:

Amend
§ 29-807.05

(i) The heading is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(ii) Subsection (a) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(E) New sections 29-807.06 and 29-807.07 are added to read as follows:

“§ 29-807.06. Rescinding dissolution.

New
§ 29-807.06

“(a) A limited liability company may rescind its dissolution unless a statement of termination applicable to the company becomes effective, the Superior Court has entered an order under § 29-807.01(a)(4) or (5) dissolving the company, or the Mayor has dissolved the company under § 29-106.02.

“(b) Rescinding dissolution under this section requires:

“(1) The consent of each member;

“(2) If a statement of dissolution applicable to the limited liability company has been filed by the Mayor but has not become effective, the delivery to the Mayor for filing of a statement of withdrawal under § 29-102.04 applicable to the statement of dissolution; and

“(3) If a statement of dissolution applicable to the limited liability company is effective, the delivery to the Mayor for filing of a statement of correction under § 29-102.05 stating that dissolution has been rescinded under this section.

“(c) If a limited liability company rescinds its dissolution:

“(1) The company resumes carrying on its activities and affairs as if dissolution never occurred;

“(2) Subject to paragraph (3) of this subsection, any liability incurred by the company after the dissolution but before the rescission is effective is determined as if the dissolution never occurred; and

“(3) The rights of a third party arising out of actions taken by the third party in reliance on the dissolution before the third party knew or had notice of the rescission may not be adversely affected.

“§ 29-807.07. Court proceedings.

New
§ 29-807.07

“(a) A dissolved limited liability company that has published a notice under § 29-807.04 may file an application with the Superior Court, or, if the principal office is not located in the District, in an appropriate court where the company’s principal office is located, for a determination of the amount and form of security to be provided for payment of claims that are contingent, have not been made known to the company, or are based on an event occurring after the effective date of dissolution but which, based on the facts known to the dissolved company, are reasonably expected to arise after the effective date of dissolution. Security is not required for any claim that is or is reasonably anticipated to be barred under § 29-807.04(c).

“(b) Not later than 10 days after the filing of an application under subsection (a) of this section, the dissolved limited liability company shall give notice of the proceeding to each claimant holding a contingent claim known to the company.

“(c) In any proceeding under this section, the court may appoint a guardian ad litem to represent all claimants whose identities are unknown. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, must be paid by the dissolved limited liability company.

“(d) A dissolved limited liability company that provides security in the amount and form ordered by the court under subsection (a) of this subsection satisfies the company’s obligations with respect to claims that are contingent, have not been made known to the company, or are based on an event occurring after the effective date of dissolution.

Such claims may not be enforced against a member or transferee that received assets in liquidation.”.

(9) Subchapter VIII is amended as follows:

(A) Section 29-808.03 is amended to read as follows:

**Amend
§ 29-808.03**

“§ 29-808.03. Proper plaintiff.

“A derivative action to enforce a right of a limited liability company may be maintained only by a person that is a member at the time the action is commenced and:

“(1) Was a member when the conduct giving rise to the action occurred; or

“(2) Whose status as a member was derived, by operation of law or pursuant to the terms of the operating agreement, from a person that was a member at the time the conduct giving rise to the action occurred.”.

(B) Section 29-808.05(e) is amended by striking the phrase “, giving notice to the plaintiff” and inserting the phrase “and shall serve each party with a copy of the determination and report” in its place.

**Amend
§ 29-808.05**

(C) Section 29-808.06 is amended by adding a new subsection (c) to read as follows:

**Amend
§ 29-808.06**

“(c) A derivative action on behalf of a limited partnership may not be voluntarily dismissed or settled without the Superior Court’s approval.”.

(i) Chapter 9 is amended as follows:

**Chapter 9
Table of
Contents
§ 29-915**

(1) The table of contents is amended as follows:

(A) The heading for section 29-915 is amended by striking the period and inserting the phrase “or by electronic mail.” in its place.

(B) The heading for section 29-916 is amended by striking the period and inserting the phrase “or by electronic mail.” in its place.

§29-916

(2) Section 29-905(5) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

**Amend
§ 29-905**

(3) Section 29-909(7) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

**Amend
§ 29-909**

(4) Section 29-910 is amended by adding the following new sentence at the end:

“If authorized by the articles or bylaws, members may participate in regular and special meetings of members remotely in accordance with § 29-305.09.”.

**Amend
§ 29-910**

(5) Section 29-911 is amended by adding the following new sentence at the end:

“If authorized by the articles or bylaws, the notice may be sent by electronic mail in accordance with § 29-305.09.”.

**Amend
§ 29-911**

(6) Section 29-912 is amended by adding the following new sentence at the end:

“If authorized by the articles or the bylaws, members may participate in such meetings remotely in accordance with § 29-305.09.”.

**Amend
§ 29-912**

(7) Section 29-915 is amended as follows:

**Amend
§ 29-915**

(A) The heading is amended by striking the period and inserting the phrase “or by electronic mail.” in its place.

(B) Subsection (a) is amended as follows:

(i) The lead-in language is amended by striking the colon and inserting the phrase “or by electronic mail in accordance with § 29-305.09” in its place.

(ii) Paragraph (1) is amended by striking the phrase “the mail votes” wherever it appears and inserting the phrase “the mail votes or the electronic mail votes” in its place.

(iii) Paragraph (2) is amended by striking the phrase “the mail vote” and by inserting the phrase “the mail vote or the electronic mail vote” in its place.

(C) Subsection (b) is amended by striking the phrase “mail votes” and by inserting the phrase “the mail votes or the electronic mail votes” in its place.

(8) Section 29-916 is amended to read as follows:

**Amend
§ 29-916**

“§ 29-916. Voting provisions -- Application to voting by mail or electronic mail.

“If the articles or bylaws have provided for voting by mail or by electronic mail, any provision of this chapter referring to votes cast by the members must be construed to include the votes cast by mail or by electronic mail.”.

(9) Section 29-917 is amended by striking the period and inserting the phrase “or electronic mail.” in its place.

**Amend
§ 29-917**

(10) Section 29-918 is amended by adding a new subsection (e) to read as follows:

**Amend
§ 29-918**

“(e) Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.”.

(11) Section 29-919 is amended by striking the word “include” and inserting the phrase “shall include” in its place.

**Amend
§ 29-919**

(12) Section 29-920 is amended to read as follows:

**Amend
§ 29-920**

“§ 29-920. Removal of directors and officers; vote required for approval; vacancies.

“A director or officer may be removed, with or without cause, by a vote of $\frac{2}{3}$ of the members voting at a regular or special meeting. The director or officer involved shall have an opportunity to be heard in person or by counsel at the meeting. A vacancy caused by any such removal shall be filled by the vote provided in the bylaws for election of directors, if the bylaws provide for a means of electing or appointing officers that means.”.

(13) Section 29-934 is amended by deleting the phrase “part B of subchapter XII of Chapter 3 of this title” and inserting the phrase “part B of subchapter XII of Chapter 4 of this title” in its place.

**Amend
§ 29-934**

(14) Section 29-935 is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

**Amend
§ 29-935**

(j) Chapter 10 is amended as follows:

**Chapter 10
Table of
Contents
§ 29-1001.13**

(1) The table of contents is amended as follows:

(A) A new section heading for section 29-1001.13 is added to read as follows:

“29-1001.13. Approval of entity transaction by limited cooperative association.”.

(B) The section heading for section 29-1005.03 is amended by striking the phrase “as member to bind association” and inserting the phrase “of member as member” in its place. § 29-1005.03

(C) The section heading for section 29-1006.05 is amended by striking the phrase “orders for judgment creditor of member or transferee” and inserting the word “order” in its place. § 29-1006.05

(D) The section heading for section 29-1011.03 is amended by striking the word “estate” and inserting the phrase “legal representative” in its place. § 29-1011.03

(E) The section heading for section 29-1012.10 is amended by striking the word “Judicial” and inserting the word “Court” in its place. § 29-1012.10

(F) A new section heading for section 29-1012.13 is added to read as follows: § 29-1012.13

“29-1012.13. Rescinding dissolution.”.

(G) A new section heading for section 29-1013.06 is added to read as follows: § 29-1013.06

“29-1013.06. Special litigation committee.”.

(2) Subchapter I is amended as follows:

(A) Section 29-1001.02 is amended as follows:

Amend
§ 29-1001.02

(i) Paragraph (10) is amended by striking the phrase “organized under this chapter” and inserting the phrase “formed under this chapter or that becomes subject to this title under Chapter 2 of this title” in its place.

(ii) Paragraphs (17) through (20) are redesignated as paragraphs (18) through (21), respectively.

(iii) A new paragraph (17) is added to read as follows:

“(17) “Registered foreign cooperative” means a foreign cooperative that is registered to do business in this state pursuant to a statement of registration filed by the Mayor.”.

(B) Section 29-1001.05 is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place. Amend
§ 29-1001.05

(C) A new section 29-1001.13 is added to read as follows:

New
§ 29-1001.13

“§ 29-1001.13. Approval of entity transaction by limited cooperative association.

“(a) For a limited cooperative association to approve an entity transaction under subchapter XV of this chapter or Chapter 2 of this title, a plan must be approved by a majority of the board of directors, or a greater percentage if required by the organic rules, and the board of directors must call a members meeting to consider the plan, hold the meeting not later than 90 days after approval of the plan by the board, and mail or otherwise transmit or deliver in a record to each member:

“(1) The plan, or a summary of the plan and a statement of the manner in which a copy of the plan in a record may be reasonably obtained by a member;

“(2) A recommendation that the members approve the plan, or if the board determines that because of a conflict of interest or other circumstances it should not make a favorable recommendation, the basis for that determination;

“(3) A statement of any condition of the board’s submission of the plan to the members; and

“(4) Notice of the meeting at which the plan will be considered, which must be given in the same manner as notice of a special meeting of members.

“(b) Subject to subsections (c) and (d) of this section, a plan must be approved by:

“(1) At least two-thirds of the voting power of members present at a members meeting called under subsection (a) of this section; and

“(2) If the limited cooperative association has investor members, at least a majority of the votes cast by patron members, unless the organic rules require a greater percentage vote by patron members.

“(c) The organic rules may require that the percentage of votes under subsection (b)(1) of this section is:

“(1) A different percentage that is not less than a majority of members voting at the meeting;

“(2) Measured against the voting power of all members; or

“(3) A combination of paragraphs (1) and (2) of this subsection.

“(d) The vote required to approve a plan may not be less than the vote required for the members of the limited cooperative association to amend the articles of organization.

“(e) Consent in a record to a plan by a member must be delivered to the limited cooperative association before delivery to the Mayor for filing of articles of merger, interest exchange, conversion, or domestication, if, as a result of the merger, interest exchange, conversion, or domestication, the member will have interest holder liability for debts, obligations, or other liabilities that arise after the transaction becomes effective.

“(f) The voting requirements for districts, classes, or voting groups under § 29-1004.04 apply to the approval of a transaction under this title.”.

(3) Subchapter II is amended as follows:

(A) Section 29-1002.01 is amended as follows:

**Amend
§ 29-1002.01**

(i) Subsection (a) is amended as follows:

(I) The lead-in language is amended by striking the designation “(a)”.

(II) Paragraph (5) is amended by striking the phrase “shall be signed by the person on whose behalf the record is delivered to the Mayor” and inserting the phrase “delivered on behalf of a person to the Mayor for filing must be signed by that person” in its place.

(ii) Subsection (b) is repealed.

(B) Section 29-1002.02 is amended as follows:

**Amend
§ 29-1002.02**

(i) Subsection (a) is amended to read as follows:

“(a) If a person required by this chapter to sign or deliver a record to the Mayor for filing does not do so, any other person that is aggrieved may petition the Superior Court to order:

“(1) The person to sign the record; or

“(2) The person to deliver the record to the Mayor for filing; or

“(3) The Mayor to file the record unsigned.”.

(ii) Subsection (b) is amended to read as follows:

“(b) If the petitioner under subsection (a) of this section is not the limited cooperative association or foreign cooperative to which the record pertains, the petitioner shall make the association or cooperative a party to the action.”.

(iii) Subsection (c) is amended as follows:

(I) Strike the phrase “An unsigned record” and insert the phrase “A record” in its place.

(II) Strike the phrase “shall be effective” and insert the phrase “is effective without being signed” in its place.

(4) Subchapter V is amended as follows:

(A) Section 29-1005.02 is amended to read as follows:

Amend
§ 29-1005.02

“§ 29-1005.02. Becoming member.

“(a) If a limited cooperative association is to have only one cooperative member upon formation, the cooperative becomes a member as agreed by that cooperative and the organizer of the limited cooperative association. That cooperative and the organizer may be, but need not be, different persons. If different, the organizer acts on behalf of the initial cooperative member.

“(b) If a limited cooperative association is to have more than one member upon formation, those persons become members as agreed by the persons before the formation of the limited cooperative association. The organizer acts on behalf of the persons in forming the limited cooperative association and may be, but need not be, one of the persons.

“(c) After formation of a limited cooperative association, a person becomes a member:

“(1) As provided in the organic rules;

“(2) As the result of a transaction effective under subchapter XV of this chapter or Chapter 2 of this title;

“(3) With the consent of all the members; or

“(4) As provided in § 29-1012.02(3).”.

(B) Section 29-1005.03 is amended to read as follows:

Amend
§ 29-1005.03

“§ 29-1005.03. No agency power of member as member.

“(a) A member is not an agent of a limited cooperative association solely by reason of being a member.

“(b) A person’s status as a member does not prevent or restrict law other than this chapter from imposing liability on a limited cooperative association because of the person’s conduct.”.

(C) Section 29-1005.04 is amended to read as follows:

Amend
§ 29-1005.04

“§ 29-1005.04. Liability of members and managers.

“(a) A debt, obligation, or other liability of a limited cooperative association is solely the debt, obligation, or other liability of the limited cooperative association. A member or manager

of the limited cooperative association is not personally liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the association solely by reason of being or acting as a member or manager of the association. This subsection applies regardless of the dissolution of the association.

“(b) The failure of a limited cooperative association to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground for imposing liability on any member or manager of the association for any debt, obligation, or other liability of the association.”.

(D) Section 29-1005.05 is amended as follows:

Amend
§ 29-1005.05

(i) Subsection (a) is amended by striking the phrase “Not later than 10 business days after receipt of a demand made in a record, a limited cooperative association shall permit a member to obtain, inspect, and copy in the association’s principal office” and inserting the phrase “On reasonable notice a member may inspect and copy, at the principal office or a reasonable location specified by the limited cooperative association,” in its place.

(ii) Subsection (b) is amended by striking the phrase “On demand made in a record received by the limited cooperative association, a member may obtain, inspect, and copy in the association’s principal office” and inserting the phrase “On reasonable notice, a member may inspect and copy, at the principal office or a reasonable location specified by the limited cooperative association,” in its place.

(iii) Subsection (d) is amended to read as follows:

“(d) Not later than 10 business days after a limited cooperative association receives a demand made in a record, a dissociated member may have access to information to which the person was entitled while a member if the information pertains to the period during which the person was a member, the person seeks the information in good faith, and the person satisfies the requirements imposed on a member by subsection (b)(2) of this section. The association shall respond to a demand made pursuant to this subsection in the manner provided in subsection (c) of this section.”.

(iv) Subsection (e) is repealed.

(v) Subsections (f) through (h) are redesignated as subsections (e) through (g), respectively.

(vi) The newly designated subsection (f) is amended by striking the phrase “A limited cooperative association may impose reasonable restrictions, including nondisclosure restrictions, on the use of information obtained under this section” and inserting the phrase “In addition to any restriction or condition stated in its organic rules, a limited cooperative association, as a matter within the ordinary course of its activities and affairs, may impose reasonable restrictions and conditions on access to and use of information to be furnished under this section, including designating information as confidential and imposing nondisclosure and safeguarding obligations on the recipient” in its place.

(vii) A new subsection (h) is added to read as follows:

“(h) A member or dissociated member may exercise rights under this section through an agent or, in the case of an individual under legal disability, a legal representative. Any

restriction or condition imposed by the organic rules or subsection (f) of this section applies both to the agent or legal representative and the member or dissociated member.”.

(viii) Subsection (i) is repealed.

(ix) Subsections (j) and (k) are redesignated as subsections (i) and (j), respectively.

(5) Subchapter VI is amended by amending section 29-1006.05 as follows:

Amend
§ 29-1006.05

(A) The heading is amended by striking the phrase “orders for judgment creditor of member or transferee” and inserting the word “order” in its place.

(B) Subsection (a) is amended as follows:

(i) Strike the phrase “A charging order issued under this subsection shall constitute” and insert the phrase “Except as otherwise provided in subsection (b) of this section, a charging order constitutes” in its place.

(ii) Strike the phrase “creditor or receiver, to the extent necessary to satisfy the judgment,” and insert the phrase “person to whom the charging order was issued” in its place.

(C) Subsection (b) is amended as follows:

(i) Paragraph (1) is amended by striking the phrase “the share of the distributions due, or to become due, to the judgment debtor under the judgment debtor’s financial rights” and inserting the phrase “the distributions subject to the charging order” in its place.

(ii) Paragraph (2) is amended by striking the phrase “that the circumstances of the case may require” and inserting the word “necessary” in its place.

(D) Subsection (c) is amended by striking the phrase “The purchaser” and inserting the phrase “Except as otherwise provided in subsection (f) of this section, the purchaser” in its place.

(E) Subsection (d) is amended by striking the phrase “sale pursuant to a foreclosure” and inserting the phrase “foreclosure under subsection (c) of this section” in its place.

(F) Subsection (e) is amended as follows:

(i) Strike the phrase “sale pursuant to a foreclosure” and insert the phrase “foreclosure under subsection (c) of this section” in its place.

(ii) Strike the word “succeed” and insert the phrase “thereby succeed” in its place.

(iii) Strike the sentence “Unless the organic rules otherwise provide, the association shall act under this subsection only with the consent of all members whose financial rights are not subject to the charging order.”.

(G) Subsections (f) and (g) are redesignated as subsections (g) and (h), respectively.

(H) A new subsection (f) is added to read as follows:

“(f) If a court forecloses a charging order lien against the sole member of a limited cooperative association:

“(1) The court shall confirm the sale;

“(2) The purchaser at the sale obtains the member’s entire interest, not only the member’s financial rights;

“(3) The purchaser thereby becomes a member; and

“(4) The person whose interest was subject to the foreclosed charging order is dissociated as a member.”.

(I) The newly designated subsection (h) is amended by striking the phrase “judgment creditor of a member or transferee” and inserting the phrase “person seeking to enforce a judgment against a member or transferee, in the capacity of judgment creditor,” in its place.

(6) Subchapter X is amended as follows:

(A) Section 29-1010.07 is amended as follows:

Amend
§ 29-1010.07

(i) Subsection (a) is amended as follows:

(I) The lead-in language is amended by striking the word “distribution” the first time it appears and inserting the phrase “distribution, including a distribution under § 29-1012.07” in its place.

(II) Paragraph (1) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(III) Paragraph (2) is amended as follows:

(aa) Strike the word “assets” and insert the phrase “total assets” in its place.

(bb) Strike the period and insert the phrase “plus the amount that would be needed, if the association were to be dissolved and wound up at the time of the distribution, to satisfy the preferential rights upon dissolution and winding up of members whose preferential rights are superior to those of persons receiving the distribution.” in its place.

(ii) Subsection (c) is amended as follows:

(I) Paragraph (1) is amended as follows:

(aa) Strike the word “date” and insert the phrase “earlier of the date” in its place.

(bb) Strike the phrase “; and” and insert the phrase “or the date the person entitled to the distribution ceases to own the financial rights being acquired by the association in return for the distribution; ” in its place.

(II) Paragraph (2) is redesignated as paragraph (3).

(III) A new paragraph (2) is added to read as follows:

“(2) In the case of any other distribution of indebtedness, as of the date the indebtedness is distributed;”.

(iii) Subsections (d) and (e) are redesignated as subsections (e) and (g), respectively.

(iv) A new subsection (d) is added to read as follows:

“(d) A limited cooperative association’s indebtedness incurred by reason of a distribution made in accordance with this section is at parity with the association’s indebtedness to its general, unsecured creditors except to the extent subordinated by agreement.”.

(v) The newly designated subsection (e) is amended as follows:

(I) Add the following new sentence at the beginning: “A limited cooperative association’s indebtedness, including indebtedness issued as a distribution, is not a liability for purposes of subsection (a) of this section if the terms of the indebtedness provide that payment of principal and interest is made only if and to the extent that payment of a distribution could then be made under this section.”.

(II) Strike the word “If” and insert the phrase “If the” in its place.

(vi) A new subsection (f) is added to read as follows:

“(f) In measuring the effect of a distribution under § 29-1012.07, the liabilities of a dissolved limited cooperative association do not include any claim that has been disposed of under §§ 29-1012.08, 29-1012.09, and 29-1012.10.”.

(B) Section 29-1010.08 is amended as follows:

Amend
§ 29-1010.08

(i) Subsection (a) is amended to read as follows:

“(a) Except as otherwise provided in subsection (b) of this section, if a director of a limited cooperative association consents to a distribution made in violation of § 29-1010.07 and in consenting to the distribution fails to comply with § 29-1008.18, the director is personally liable to the association for the amount of the distribution that exceeds the amount which could have been distributed without violating § 29-1010.07.”

(ii) Subsection (b) is amended by striking the phrase “member or transferee of financial rights which received” and inserting the phrase “person that receives” in its place.

(iii) Subsection (c) is amended as follows:

(I) Paragraph (1) is amended as follows:

(aa) Strike the word “director” and insert the word “person” in its place.

(bb) Strike the phrase “and implead in the action any compel” and insert the phrase “and seek to enforce a right of” in its place.

(II) Paragraph (2) is amended as follows:

(aa) Strike the phrase “is liable under” and insert the phrase “receives a distribution in violation of”.

(bb) Strike the word “compel” and insert the phrase “may seek to enforce a right of” in its place.

(cc) Strike the phrase “as described in” and insert the phrase “in violation” in its place.

(7) Subchapter XI is amended as follows:

(A) Section 29-1011.01 is amended as follows:

Amend
§ 29-1011.01

(i) Subsection (a) is amended by striking the phrase “shall have the power to dissociate as a member at any time, rightfully or wrongfully, by express will” and inserting the phrase “has the power to dissociate as a member at any time” in its place.

(ii) Subsection (b) is amended by striking the phrase “Unless the organic rules otherwise provide, a” and inserting the word “A” in its place.

(iii) Subsection (c) is amended by striking the phrase “limited cooperative association” and inserting the phrase “limited cooperative association and to the other members” in its place.

(iv) Subsection (d) is amended as follows:

(I) Paragraph (4)(A) is amended by striking the word “activities” and inserting the phrase “activities and affairs” in its place.

(II) Paragraph (10) is amended by striking the phrase “Chapter 2” and inserting the phrase “Subchapter XV of this chapter or Chapter 2” in its place.

(B) Section 29-1011.02 is amended as follows:

Amend
§ 29-1011.02

(i) Subsection (a) is amended as follows:

(I) Paragraph (1) is amended to read as follows:

“(1) The person’s right to participate as a member in the management and conduct of the association’s activities and affairs terminates; and”.

(II) Paragraph (2) is amended by striking the phrase “immediately before dissociation shall be” and inserting the word “are” in its place.

(ii) Subsection (b) is amended as follows:

(I) Strike the phrase “liability to the limited cooperative association” and insert the phrase “other liability to the limited cooperative association or to the members” in its place.

(II) Strike the phrase “under the organic rules, by contract, or by other means”.

(C) Section 29-1011.03 is amended by striking the word “estate” in the heading and inserting the phrase “legal representative” in its place.

Amend
§ 29-1011.03

(8) Subchapter XII is amended as follows:

(A) Section 29-1012.06 is amended as follows:

Amend
§ 29-1012.06

(i) Subsection (a) is amended to read as follows:

“(a) A dissolved limited cooperative association shall wind up its activities and affairs, and except as provided in § 29-1012.07, continue after dissolution only for the purpose of winding up.”.

(ii) Subsection (b) is amended to read as follows:

“(b) In winding up a limited cooperative association’s activities and affairs, the board of directors:

“(1) Shall discharge its liabilities, settle and close its activities, and marshal and distribute its assets; and

“(2) May:

“(A) Preserve the association or its property as a going concern for no more than a reasonable time;

“(B) Prosecute and defend actions and proceedings;

“(C) Settle disputes by mediation or arbitration;

“(D) Deliver to the Mayor for filing a statement of termination stating the name of the company and that the company is terminated;

“(E) Transfer the association’s property; and

“(F) Perform other acts necessary or appropriate to the winding up.”.

(B) Section 29-1012.07(a) is amended by striking the word “business” and inserting the phrase “activities and affairs” in its place. **Amend § 29-1012.07**

(C) Section 29-1012.08 is amended as follows: **Amend § 29-1012.08**

(i) Subsection (a) is amended by striking the phrase “dispose of the known claims against it by following the procedure in subsections (b) and (c) of this section” and inserting the phrase “give notice of a known claim under subsection (b) of this section, which has the effect provided in subsection (c) of this section” in its place.

(ii) Subsection (d) is amended by striking the word “date” the first time it appears and inserting the phrase “effective date” in its place.

(D) Section 29-1012.09 is amended as follows: **Amend § 29-1012.09**

(i) Subsection (c) is amended as follows:

(I) Paragraph (1) is amended as follows:

(aa) Strike the phrase “is entitled to, but”.

(bb) Strike the comma after the word “notice”.

(cc) Strike the word “and”.

(III) Paragraph (2) is amended by striking the period and inserting the phrase “; and” in its place.

(III) A new paragraph (3) is added to read as follows:

“(3) A claimant whose claim was timely sent to the company but not acted on.”.

(ii) Subsection (d) is amended as follows:

(I) The lead-in language is amended by striking the phrase “this section” and inserting the phrase “this section or § 29-1012.08” in its place.

(II) Paragraph (2) is amended to read as follows:

“(2) If, except as otherwise provided in § 29-1012.10, the assets of the association have been distributed after dissolution against a member or holder of financial rights to the extent of that person’s proportionate share of the claim or the assets distributed to the person after dissolution, whichever is less; however, a person’s total liability for all claims under this paragraph may not exceed the total amount of assets distributed to the person after dissolution.”.

(E) Section 29-1012.10 is amended as follows: **Amend § 29-1012.10**

(i) The section heading is amended by striking the phrase “Judicial proceeding” and inserting the phrase “Court proceedings” in its place.

(ii) Subsection (a) is amended by adding the following new sentence at the end:

“The court need not require security for any claim that is barred under § 29-1012.08 or § 29-1012.09 or that is reasonably anticipated to be barred under that section.”.

(iii) Subsection (b) is amended by striking the period and inserting the phrase “as shown on the records of the dissolved association.” in its place.

(iv) Subsection (d) is amended by striking the phrase “, and the claims shall not be enforced against a member that received a distribution” and inserting the phrase “. The association's obligations with respect to claims that are contingent may not be enforced against a member or holder of financial rights that received assets in liquidation” in its place.

(F) A new section 29-1012.13 is added to read as follows:

New
§ 29-1012.13

“§ 29-1012.13. Rescinding dissolution.

“(a) A limited cooperative association may rescind its dissolution, unless a statement of termination applicable to the association is effective, the Superior Court has entered an order under § 29-1012.03 dissolving the association, or the Mayor has dissolved the association under § 29-106.02.

“(b) Rescinding dissolution under this section requires:

“(1) The consent of each member;

“(2) If a statement of dissolution applicable to the limited cooperative association has been filed by the Mayor but has not become effective, the delivery to the Mayor for filing of a statement of withdrawal applicable to the statement of dissolution; and

“(3) If a statement of dissolution applicable to the limited cooperative association is effective, the delivery to the Mayor for filing of a statement of correction under § 29-102.05 stating that dissolution has been rescinded under this section.

“(c) If a limited cooperative association rescinds its dissolution:

“(1) The association resumes carrying on its activities and affairs as if dissolution had never occurred;

“(2) Subject to paragraph (3) of this subsection, any liability incurred by the association after the dissolution and before the rescission is effective is determined as if dissolution had never occurred; and

“(3) The rights of a third party arising out of conduct in reliance on the dissolution before the third party knew or had notice of the rescission may not be adversely affected.”.

(9) Subchapter XIII is amended as follows:

(A) Section 29-1013.01(2) is amended as follows:

Amend
§ 29-1013.01

(i) Subparagraph (C) is amended by striking the word “or”.

(ii) Subparagraph (D) is amended by striking the period and inserting the phrase “; or” in its place.

(iii) A new subparagraph (E) is added to read as follows:

“(E) A demand under paragraph (1) of this subsection would be futile.”.

(B) Section 29-1013.03 is amended as follows:

Amend
§ 29-1013.03

(i) Paragraph (2) is amended by striking the word “and”.

(ii) Paragraph (3) is amended by striking the period and inserting the phrase “; and” in its place.

(iii) A new paragraph (4) is added to read as follows:

“(4) If the demand should be excused as futile, the reasons therefor.”.

(C) A new section 29-1013.06 is added to read as follows:

New
§ 29-1013.06

“§ 29-1013.06. Special litigation committee.

“(a) If a limited cooperative association is named as or made a party in a derivative proceeding, the association may appoint a special litigation committee to investigate the claims asserted in the proceeding and determine whether pursuing the action is in the best interests of the company. If the association appoints a special litigation committee, on motion by the committee made in the name of the association, except for good cause shown, the court shall stay discovery for the time reasonably necessary to permit the committee to complete its investigation. This subsection does not prevent the court from enforcing a person’s right to information under § 29-1005.05 or, for good cause shown, granting extraordinary relief in the form of a temporary restraining order or preliminary injunction.

“(b) A special litigation committee may be composed of one or more disinterested and independent individuals, who may be members.

“(c) A special litigation committee may be appointed:

“(1) By a majority of the directors not named as defendants or plaintiffs in the proceeding; and

“(2) If all directors are named as defendants or plaintiffs in the proceeding, by a majority of the directors named as defendants.

“(d) After appropriate investigation, a special litigation committee may determine that it is in the best interests of the limited cooperative association that the proceeding:

“(1) Continue under the control of the plaintiff;

“(2) Continue under the control of the committee;

“(3) Be settled on terms approved by the committee; or

“(4) Be dismissed.

“(e) After making a determination under subsection (d) of this section, a special litigation committee shall file with the court a statement of its determination and its report supporting its determination and shall serve each party with a copy of the determination and report. The court shall determine whether the members of the committee were disinterested and independent and whether the committee conducted its investigation and made its recommendation in good faith, independently, and with reasonable care, with the committee having the burden of proof. If the court finds that the members of the committee were disinterested and independent and that the committee acted in good faith, independently, and with reasonable care, the court shall enforce the determination of the committee. Otherwise, the court shall dissolve the stay of discovery entered under subsection (a) of this section and allow the action to proceed under the direction of the plaintiff.”.

(k) Chapter 11 is amended as follows:

(1) The table of contents is amended as follows:

(A) The heading for section 29-1113 is amended by striking the phrase “Meeting of members; voting and notice” and inserting the phrase “Procedural requirements for member meetings” in its place.

(B) The heading for section 29-1120 is amended by striking the phrase “Notice and quorum requirements for meetings of managers” and inserting the phrase “Procedural requirements for manager meetings” in its place.

§29-1120

(2) Section 29-1106(a) is amended by striking the phrase “real or personal”.

Amend
§ 29-1106
Amend
§ 29-1107

(3) Section 29-1107(g) is amended by striking the phrase “filed with the Mayor” and inserting the phrase “delivered to the Mayor for filing” in its place.

(4) Section 29-1113 is amended as follows:

Amend
§ 29-1113

(A) The heading is amended by striking the phrase “Member Meeting, voting and notice requirements” and inserting the phrase “Procedural requirements for member meetings” in its place.

(B) Subsection (a)(1) is amended by striking the word “members” the first time it appears and inserting the phrase “the members” in its place.

(C) Subsection (b) is amended to read as follows:

“(b) The governing principles may provide for the:

“(1) Calling, location, and timing of member meetings;

“(2) Notice and quorum requirements for member meetings;

“(3) Conduct of member meetings;

“(4) Taking of action by the members by consent without a meeting or casting ballots; and

“(5) Participation by members in a member meeting by telephone or other means of electronic communication.”.

(D) A new subsection (c) is added to read as follows:

“(c) If the governing principles do not provide for a matter described in subsection (b) of this section, customary usages and principles of parliamentary law and procedure apply.”.

(5) Section 29-1120 is amended to read as follows:

Amend
§ 29-1120

“§ 29-1120. Procedural requirements for manager meetings.

“(a) The governing principles may provide for the:

“(1) Calling, location, and timing of manager meetings;

“(2) Notice and quorum requirements for manager meetings;

“(3) Conduct of manager meetings;

“(4) Taking of action by the managers by consent without a meeting; and

“(5) Participation by managers in a manager meeting by telephone or other means of electronic communication.

“(b) If the governing principles do not provide for a matter described in subsection (a) of this section, customary usages and principles of parliamentary law and procedure apply.”.

(6) Section 29-1126(b) is amended by striking the phrase “an unincorporated nonprofit association” and inserting the phrase “unincorporated nonprofit associations” in its place.	Amend § 29-1126
(l) Chapter 12 is amended as follows:	Chapter 12 Table of Contents
(1) The table of contents is amended as follows:	§ 29-1201.07
(A) A new section heading for section 29-1201.07 is added to read as follows:	
“29-1201.07. Constructive notice.”.	
(B) A new section heading for section 29-1202.04 is added to read as follows:	§ 29-1202.04
“29-1202.04. Signing and filing pursuant to judicial order”.	
(C) The heading for section 29-1203.04 is amended by striking the phrase “Statutory trust solely liable for debt, obligation, or other liability of statutory trust” and inserting the phrase “Limitation on liability of trustees and beneficial owners” in its place.	§ 29-1203.04
(D) A new section heading for section 29-1204.05 is added to read as follows:	§ 29-1204.05
“29-1204.05. Claims pertaining to a series.”.	
(E) The heading for section 29-1205.06 is amended by striking the phrase “Good-faith” and inserting the word “Reasonable” in its place.	§ 29-1205.06
(F) The heading for Subchapter VI is amended by striking the phrase “Beneficiaries and Beneficial Rights” and inserting the phrase “Beneficial Owners” in its place.	
(G) The heading for section 29-1206.06 is amended by striking the phrase “Charging order” and inserting the phrase “Transfer of beneficial interest” in its place.	§ 29-1206.06
(H) The heading for section 29-1206.09 is amended by striking the word “Action” and inserting the phrase “Direct action” in its place.	§ 29-1206.09
(I) New section headings for sections 29-1206.10, 29-1206.11, 29-1206.12, 29-1206.13, 29-1206.14, 29-1206.15, and 29-1206.16 are added to read as follows:	§§ 29-1206.10 – 29-1206.16
“29-1206.10. Derivative action by beneficial owner.	
“29-1206.11. Proper plaintiff.	
“29-1206.12. Pleading.	
“29-1206.13. Proceeds and expenses.	
“29-1206.14. Special litigation committee.	
“29-1206.15. Limitations on distributions.	
“29-1206.16. Liability for improper distributions.”.	
(J) The heading for section 29-1208.04 is amended by striking the phrase “Notice to claimant” and inserting the phrase “Known claims against dissolved statutory trust” in its place.	§ 29-1208.04
(K) The heading for section 29-1208.05 is amended by striking the phrase “Publication of notice” and inserting the phrase “Other claims against dissolved statutory trust” in its place.	§ 29-1208.05

(L) A new section heading for section 29-1208.06 is added to read as follows:

§ 29-1208.06

“29-1208.06. Court proceedings.”.

(2) Subchapter I is amended as follows:

(A) Section 29-1201.02 is amended as follows:

**Amend
§ 29-1201.02**

(i) Paragraph (2) is amended as follows:

(I) Strike the phrase “filed by the Mayor under” and insert the phrase “required by” in its place.

(II) Strike the phrase “shall include the record” and insert the phrase “includes the certificate” in its place.

(ii) Paragraphs (4) through (13) are redesignated as paragraphs (6) through (15), respectively.

(iii) New paragraphs (4) and (5) are added to read as follows:

“(4) “Contribution”, except in the phrase “right of contribution”, means property or a benefit described in § 29-1206.03 that a person provides to a statutory trust in order to become a beneficial owner or provides in the person’s capacity as a beneficial owner.

“(5) “Distribution” means a transfer of money or other property from a statutory trust as a result of a beneficial interest. The term includes transfers occurring when a statutory trust’s redeems or otherwise purchases a beneficial interest.”.

(iv) The newly designated paragraph (9) is amended as follows:

(I) Strike the word “Qualified” and insert the word “Registered” in its place.

(II) Strike the phrase “filed with the Mayor” and insert the phrase “delivered to the Mayor for filing” in its place.

(v) The newly designated paragraph (12) is amended as follows:

(I) Strike the phrase “, except in the phrase “foreign statutory trust”,” .

(II) Strike the period and insert the phrase “or an entity that becomes subject to this chapter under Chapter 2 of this title.” in its place.

(vi) The newly designated paragraph (14) is amended by striking the word “affairs” and inserting the phrase “activities and affairs” in its place.

(B) Section 29-1201.03 is amended as follows:

**Amend
§ 29-1201.03**

(i) Subsection (a) is amended as follows:

(I) The lead-in language is amended by striking the phrase “subsection (b) of this section or”.

(II) Paragraph (2) is amended by striking the phrase “the beneficial owners, the statutory trust, and other persons” and inserting the phrase “a person designated under subsection (e)(8) or (9) of this section, the beneficial owners, and the statutory trust” in its place.

(ii) Subsection (e) is amended as follows:

(I) Paragraph (5) is amended by striking the word “Provide” and inserting the phrase “Subject to § 29-1204.03, provide” in its place.

(II) Paragraph (6) is amended as follows:

(aa) The lead-in language is amended by striking the word “Provide” and inserting the phrase “Subject to § 29-1204.03, provide” in its place.

(bb) Subparagraph (A) is amended by striking the phrase “or reorganization” and inserting the phrase “interest exchange, or domestication” in its place.

(III) Paragraph (8) is amended by striking the word “business” and inserting the word “activities” in its place.

(C) Section 29-1201.04 is amended as follows:

Amend
§ 29-1201.04

(i) Paragraph (1) is amended to read as follows:

“(1) Vary any requirement, procedure, or other provision of this title pertaining to:

“(A) Registered agents; or

“(B) The Mayor, including provisions pertaining to records authorized or required to be delivered to the Mayor for filing under this title;”.

(ii) Paragraph (2) is amended by striking the phrase “choice of governing law” and inserting the phrase “governing law” in its place.

(iii) Paragraph (4) is amended by striking the phrase “1204.02(b)” and inserting the phrase “1204.02(b) or (c)” in its place.

(iv) Paragraph (6) is amended as follows:

(I) Strike the word “obligation” and insert the word “liability” in its place.

(II) Strike the phrase “to act in good faith if a trustee or other person is not to be liable for relying on the terms of the governing instrument, the records of the statutory trust, or the opinions, reports, or statements of an expert” and insert the phrase “of a trustee or other person;” in its place.

(III) Strike the phrase “in good faith” and insert the word “reasonable” in its place.

(v) Paragraph (10) is amended by striking the phrase “Restrict the right of a judgment creditor of a beneficial owner to seek a charging order under § 29-1206.06” and inserting the phrase “Vary the provisions pertaining to the transfer of a beneficial interest and the power of the Superior Court under § 29-1206.06(b) through (d)” in its place.

(vi) Paragraph (12) is amended by striking the phrase “§ 29-1206.09” and inserting the phrase “§ 29-1206.09 or 29-1206.10” in its place.

(vii) Paragraph (13) is amended by striking the phrase “provisions pertaining to merger in §§ 29-1207.01, 29-1207.04, and 29-1207.05” and inserting the phrase “right of a beneficial owner under Chapter 2 of this title to approve a merger, interest exchange, conversion, or domestication” in its place.

(viii) Paragraph (14) is amended by striking the phrase “pertaining to dissolution in §§ 29-1208.01 and 29-1208.02 through 29-1208.05” and inserting the phrase “of Subchapter VIII of this chapter” in its place.

(ix) Paragraph (15) is amended by striking the word “or”.

(x) Paragraph (16) is amended by striking the period and inserting a semicolon in its place.

(xi) New paragraphs (17), (18), (19), and (20) are added to read as follows:

“(17) Vary the rules under § 29-1206.14, if a statutory trust appoints a special litigation committee;

“(18) Vary the provision pertaining to the duration of a statutory trust under § 29-1203.06(a);

“(19) Vary the capacity of a statutory trust under § 29-1203.08 to sue and be sued in its own name; or

“(20) Restrict the rights under this chapter of a person other than a trustee, person designated under § 29-1201.03(e)(8) and (9), or beneficial owner.”.

(D) A new section 29-1201.07 is added to read as follows:

New
§ 29-1201.07

“§ 29-1201.07. Constructive notice.

“A person that is not a beneficial owner is deemed to have notice of a statutory trust’s merger, interest exchange, conversion, or domestication 90 days after articles of merger, interest exchange, conversion, or domestication under subchapter VII of this chapter or Chapter 2 of this title become effective.”.

(3) Subchapter II is amended as follows:

(A) Section 29-1202.01 is amended as follows:

Amend
§ 29-1202.01

(i) Subsection (b)(3) is amended by striking the word “initial”.

(ii) Subsection (c) is amended by striking the period and inserting the phrase “but may not vary or otherwise affect the provisions specified in § 29-1201.04 in a manner that is inconsistent with that section.” in its place.

(iii) Subsection (d) is amended to read as follows:

“(d) A statutory trust is formed when the certificate of trust becomes effective.”.

(iv) Subsection (e) is amended by striking the phrase “filed articles of conversion or merger shall” and inserting the phrase “articles filed under subchapter VII of this chapter or Chapter 2 of this title” in its place.

(B) Section 29-1202.02 is amended to read as follows:

Amend
§ 29-1202.02

“§ 29-1202.02. Amendment or restatement of certificate of trust; statement of correction.

“(a) A certificate of trust may be amended or restated at any time.

“(b) To amend its certificate of trust, a statutory trust shall deliver to the Mayor for filing an amendment stating the:

“(1) Name of the trust;

“(2) Date of filing of its initial certificate; and

“(3) Changes to the certificate as most recently amended or restated.

“(c) To restate its certificate of trust, a statutory trust must deliver to the Mayor for filing a restatement designated as such in its heading.

“(d) A trustee that knows or has reason to know that information in a filed certificate of trust was inaccurate when the certificate was filed or has become inaccurate due to changed circumstances shall promptly:

“(1) Cause the certificate to be amended; or

“(2) If appropriate, deliver to the Mayor for filing a statement of change under § 29-104.07 or a statement of correction under § 29-102.05.”.

(C) New sections 29-1202.04 and 29-1202.05 are added to read as follows:

“§ 29-1202.04. Signing and filing pursuant to judicial order.

New
§ 29-1202.04

“(a) If a person required by this title to sign a record or deliver a record to the Mayor for filing under this title does not do so, any other person that is aggrieved may petition the Superior Court to order:

“(1) The person to sign the record;

“(2) The person to deliver the record to the Mayor for filing; or

“(3) The Mayor to file the record unsigned.

“(b) If the petitioner under subsection (a) of this section is not the statutory trust to which the record pertains, the petitioner shall make the trust a party to the action.

“(c) A record filed pursuant to subsection (a)(3) of this section is effective without being signed.

“§ 29-1202.05. Liability for inaccurate information in filed record.

New
§ 29-1202.05

“(a) If a record delivered to the Mayor for filing under this title and filed by the Mayor contains inaccurate information, a person that suffers loss by reliance on the information may recover damages for the loss from:

“(1) A person that signed the record, or caused another to sign it on the person’s behalf, and knew the information to be inaccurate at the time the record was signed; and

“(2) Subject to subsection (b) of this section, a trustee of a statutory trust, if:

“(A) The record was delivered for filing on behalf of the trust; and

“(B) The trustee had notice of the inaccuracy for a reasonably sufficient time before the information was relied upon so that, before the reliance, the trustee reasonably could have:

“(i) Effected an amendment under § 29-1202.02;

“(ii) Filed a petition under § 29-1202.04; or

“(iii) Delivered to the Mayor for filing a statement of change under § 29-104.07 or a statement of correction under § 29-102.05.

“(b) An individual who signs a record authorized or required to be filed under this title affirms under penalty of making false statements that the information stated in the record is accurate.”.

(4) Subchapter III is amended as follows:

(A) Section 29-1203.01(2) is amended by striking the phrase “and a trustee as trustee” and inserting the phrase “, a trustee as trustee, and a person appointed, elected, or engaged under § 29-1201.03(e)(8) or (9)” in its place. **Amend § 29-1203.01**

(B) Section 29-1203.02 is amended by striking the phrase “shall be” and inserting the word “is” in its place. **Amend § 29-1203.02**

(C) Section 29-1203.03 is amended as follows: **Amend § 29-1203.03**

(i) Subsection (a) is amended by striking the period and inserting the phrase “, regardless of whether for profit.” in its place.

(ii) Subsection (b) is amended by striking the word “shall” and inserting the word “may” in its place.

(D) Section 29-1203.04 is amended as follows: **Amend § 29-1203.04**

(i) The section heading is amended by striking the phrase “Statutory trust solely liable for debt, obligation, or other liability of statutory trust” and inserting the phrase “Limitation on liability of trustees and beneficial owners” in its place.

(ii) Subsection (a) is amended as follows:

(I) Strike the phrase “agent of the trust, or agent of the trustee shall not personally be” and insert the phrase “or person designated pursuant to § 29-1201.03(e)(8) or (9) is not personally” in its place.

(II) Strike the phrase “agent of the trust, or agent of the trustee” and insert the phrase “or person designated pursuant to § 29-1201.03(e)(8) or (9)” in its place.

(III) Add the following new sentence at the end:

“This subsection applies regardless of the dissolution of the statutory trust.”.

(iii) Subsection (b) is amended by striking the phrase “shall be is” and inserting the phrase “shall be” in its place.

(E) Section 29-1203.06 is amended as follows: **Amend § 29-1203.06**

(i) Subsection (a) is amended to read as follows:

“(a) Except as otherwise provided in its certificate of trust, a statutory trust:

“(1) Has perpetual duration; and

“(2) May not be terminated or revoked except in accordance with this chapter or the terms of the trust’s certificate of trust.”.

(ii) Subsection (b) is amended by striking the phrase “statutory trust, or any series thereof, shall” and inserting the phrase “series of a statutory trust may” in its place.

(iii) Subsection (c) is amended by striking the phrase “or trustee shall” and inserting the phrase “, trustee, or person designated under § 29-1201.03(e)(8) or (9) does” in its place.

(5) Subchapter IV is amended as follows:

(A) Section 29-1204.01 is amended as follows: **Amend § 29-1204.01**

(i) Subsection (c) is amended by striking the phrase “separate purpose” and inserting the phrase “purpose, regardless of whether for profit, separate” in its place.

(ii) A new subsection (d) is added to read as follows:

“(d) Subject to § 29-1204.03, the governing instrument may provide for the creation of one or more classes of trustees, beneficial owners, or beneficial interests having separate rights, powers, or duties with respect to the statutory trust or any series thereof.”.

(B) Section 29-1204.02 is amended as follows:

Amend
§ 29-1204.02

(i) Subsection (b) is amended as follows

(I) Strike the phrase “conversion or merger under subchapter VII of this chapter shall be” and insert the phrase “a transaction under subchapter VII of this chapter or Chapter 2 of this title is” in its place.

(II) Strike the period and insert the phrase “and a distribution under § 29-1206.15.” in its place.

(ii) A new subsection (c) is added to read as follows:

“(c) The rules pertaining to distributions under §§ 29-1206.15 and 29-1206.16 apply to a distribution from a series trust and from the property of any series thereof, except for a distribution under § 29-1204.04.”.

(C) A new section 29-1204.05 is added to read as follows:

New
§ 29-1204.05

“§ 29-1204.05. Claims pertaining to a series.

“(a) A series of a statutory trust may not sue or be sued in its own name.

“(b) If a series trust has a claim against a person which pertains to the property of a series thereof, the trust may assert the claim under § 29-1203.08 and shall allocate the proceeds of the claim under §§ 29-1204.01 and 29-1204.02.

“(c) If a person has a claim against a series trust which pertains to the property of a series thereof, to assert the claim the person must bring the claim against the trust, stating that the claim pertains to the property of a series thereof and specifying the series if known. To the extent the claim succeeds and is reduced to judgment:

“(1) The judgment must state that it is collectable only against the property of the specified series; and

“(2) The judgment creditor may levy on the judgment only by serving the series trust, which shall satisfy the judgment by using only the property of the specified series.”.

(6) Subchapter V is amended as follows:

(A) Section 29-1205.01 is amended by striking the word “business” and inserting the word “activities” in its place.

Amend
§ 29-1205.01

(B) Section 29-1205.02(2) is amended by striking the word “business” and inserting the word “activities” in its place.

Amend
§ 29-1205.02

(C) Section 29-1205.06 is amended as follows:

Amend
§ 29-1205.06

(i) The heading is amended by striking the phrase “Good-faith” and inserting the word “Reasonable” in its place.

(ii) The lead-in language is amended as follows:

(I) Strike the phrase “§ 29-1201.03(e)(8), shall not be” and insert the phrase “§ 29-1201.03(e)(8) or (9) is not” in its place.

(II) Strike the phrase “good-faith” and insert the word “reasonable” in its place.

(iii) Paragraph (3) is amended by striking the period and inserting the phrase “or (9).” in its place.

(D) Section 29-1205.07(a) is amended by striking the period and inserting the phrase “or (9).” in its place.

**Amend
§ 29-1205.07**

(E) Section 29-1205.09 is amended as follows:

**Amend
§ 29-1205.09**

(i) The heading is amended by striking the word “Indemnification” and inserting the phrase “Reimbursement, indemnification” in its place.

(ii) Subsections (a) through (c) are redesignated as subsections (b) through (d), respectively.

(iii) A new subsection (a) is added to read as follows:

“(a) A statutory trust shall reimburse a trustee for any payment made by the trustee in the course of the trustee’s activities on behalf of the statutory trust, if the trustee complied with §§ 29-1205.05 and 29-1206.15 in making the payment.”.

(iv) The newly designated subsection (b) is amended by striking the phrase “other person” and inserting the phrase “person designated pursuant to § 29-1201.03(e)(8) or (9)” in its place.

(v) The newly designated subsection (c) is amended as follows:

(I) Strike the phrase “other person” and insert the phrase “person designated pursuant to § 29-1201.03(e)(8) or (9)” in its place.

(II) Strike the phrase “subsection (a)” and insert the phrase “subsection (b)” in its place.

(vi) The newly designated subsection (d) is amended by striking the word “trustee” and inserting the phrase “trustee or person designated pursuant to § 29-1201.03(e)(8) or (9)” in its place.

(vii) A new subsection (e) is added to read as follows:

“(e) A statutory trust may purchase and maintain insurance on behalf of a trustee, person designated under § 29-1201.03(e)(8) or (9), or beneficial owner of the trust, against any liability asserted against or incurred by the trustee, person, or beneficial owner in that capacity, or arising from that status. The purchase and maintenance of insurance may occur even if, under § 29-1201.04(9), the trust instrument cannot limit or eliminate a person’s liability to the trust for the conduct giving rise to the liability.”.

(7) Subchapter VI is amended as follows:

(A) The subchapter heading is amended by striking the phrase “Beneficiaries and Beneficial Rights” and inserting the phrase “Beneficial Owners” in its place.

(B) Section 29-1206.01 is amended as follows:

(i) Subsection (a) is repealed.

**Amend
§ 29-1206.01**

(ii) Subsections (b) through (d) are redesignated as subsections (a) through (c), respectively.

(iii) The newly designated subsection (a) is amended by striking the phrase “shall be personal property regardless of the nature of the property of the trust” and inserting the phrase “is personal property” in its place.

(C) Section 29-1206.03 is amended as follows:

Amend
§ 29-1206.03

(i) Subsection (a) is amended by striking the phrase “be in cash, property, or services rendered or a promissory note or other obligation to contribute cash or property or to perform services” and inserting the phrase “consist of property transferred, services performed, or another benefit provided to the statutory trust, or an agreement to transfer property, perform services, or provide another benefit” in its place.

(ii) Subsection (b) is amended to read as follows:

“(b) A person’s obligation to contribute money or other property or other benefit to, or to perform services for, a statutory trust is not excused by the person’s death, disability, or other inability to perform the person’s obligations personally. If a person does not fulfill an obligation to make a contribution, other than a monetary contribution,, the person is obligated at the option of the trustee to contribute money equal to the value of the part of the contribution which has not been made.”.

(D) Section 29-1206.04 is amended as follows:

Amend
§ 29-1206.04

(i) Subsection (b) is amended by adding the following new sentence at the beginning:

“A beneficial owner has a right to a distribution before the dissolution and winding up of a statutory trust only if the trustee decides to make an interim distribution.”.

(ii) Subsection (c) is amended by striking the phrase “The trust” and inserting the phrase “Except as otherwise provided in § 29-1208.03(b), the trust” in its place.

(iii) A new subsection (d) is added to read as follows:

“(d) Any distributions made by a statutory trust before its dissolution and winding up must be in proportion to the beneficial interests.”.

(E) Section 29-1206.06 is amended to read as follows:

Amend
§ 29-1206.06

“§ 29-1206.06. Transfer of beneficial interest

“(a) For the purposes of this section, “covered creditor” means a judgment creditor of a beneficial owner or a person to which a beneficial interest has been transferred by operation of law.

“(b) Except as otherwise provided in the governing instrument, a beneficial interest in a statutory trust is freely transferable.

“(c) The governing instrument may not limit the transferability of a beneficial interest if the same person is the sole trustee and sole beneficial owner.

“(d) If a beneficial interest is not freely transferable by a beneficial owner such that a transferee may become a beneficial owner without further requirement except notice to the statutory trust, the following rules apply:

“(1) On petition by a covered creditor, the Superior Court may authorize the petitioner to reach the beneficial owner’s interest by attachment of present or future distributions to or for the benefit of the beneficial owner or by other means. The court may limit the award to relief that is appropriate under the circumstances.

“(2) On petition by a covered creditor, to the extent a trustee has not complied with a standard of distribution provided in the governing instrument or has abused the trustee's discretion to make a distribution, the Superior Court:

“(A) May order a distribution to the benefit of the petitioner; and

“(B) If a distribution is ordered, shall direct the trustee to pay to the petitioner an equitable amount but not more than the amount the trustee would have been required to distribute to or for the benefit of the beneficial owner if the trustee had complied with the standard or had not abused the discretion.”.

(F) Section 1206.09 is amended to read as follows:

Amend
§ 29-1206.09

“§ 29-1206.09. Direct action by beneficial owner.

“A beneficial owner may maintain a direct action against a statutory trust to redress an injury sustained by, or to enforce a duty owed to, the beneficial owner only if the owner can plead and prove an actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the statutory trust.”.

(G) New sections 29-1206.10, 29-1206.11, 29-1206.12, and 29-1206.13 are added to read as follows:

“§ 29-1206.10. Derivative action by beneficial owner.

New
§ 29-1206.10

“A beneficial owner may maintain a derivative action to enforce a right of a statutory trust if:

“(1) The beneficial owner first makes a demand on the trustees, requesting that the trustees cause the trust to bring an action to redress the injury or enforce the right, and the trustees do not bring the action within a reasonable time; or

“(2) A demand would be futile.

“§ 29-1206.11. Proper plaintiff.

New
§ 29-1206.11

“A derivative action to enforce a right of a statutory trust may be maintained only by a person that is a beneficial owner at the time the action is commenced and:

“(1) Was a beneficial owner when the conduct giving rise to the action occurred;
or

“(2) Whose status as a beneficial owner devolved upon the person by operation of law or pursuant to the terms of the governing instrument from a person that was a beneficial owner at the time of the conduct.

“§ 29-1206.12. Pleading.

New
§ 29-1206.12

“In a derivative action to enforce a right of a statutory trust, the complaint shall state with particularity the:

“(1) Date and content of the plaintiff’s demand and the trustees’ response to the demand; or

“(2) Reason the demand should be excused as futile.

“§ 29-1206.13. Proceeds and expenses.

New
§ 29-1206.13

“(a) Except as otherwise provided in subsection (b) of this section:

“(1) Any proceeds or other benefits of a derivative action on behalf of a statutory trust, whether by judgment, compromise, or settlement belong to the trust and not to the plaintiff; and

“(2) If the plaintiff receives any proceeds, the plaintiff shall immediately remit them to the trust.

“(b) If a derivative action on behalf of a statutory trust is successful in whole or in part, the court may award the plaintiff reasonable attorneys’ fees, costs, and other expenses from the recovery by the trust.

“(c) A derivative action on behalf of a statutory trust shall not be voluntarily dismissed or settled without the court’s approval.”.

(H) New sections 29-1206.14, 29-1206.15, and 29-1206.16 are added to read as follows:

“§ 29-1206.14. Special litigation committee.

New
§ 29-1206.14

“(a) If a statutory trust is named as or made a party in a derivative proceeding, the trust may appoint a special litigation committee to investigate the claims asserted in the proceeding and determine whether pursuing the action is in the best interests of the trust. If the trust appoints a special litigation committee, on motion by the committee made in the name of the trust, except for good cause shown, the court shall stay discovery for the time reasonably necessary to permit the committee to complete its investigation. This subsection does not prevent the court from enforcing a person’s right to information under § 29-1205.08 or § 29-1206.08, for good cause shown, granting extraordinary relief in the form of a temporary restraining order or preliminary injunction.

“(b) A special litigation committee may be composed of one or more disinterested and independent individuals, who may be trustees.

“(c) A special litigation committee may be appointed:

“(1) By a majority of the trustees not named as defendants or plaintiffs in the proceeding; and

“(2) If all trustees are named as defendants or plaintiffs in the proceeding, by a majority of the trustees named as defendants.

“(d) After appropriate investigation, a special litigation committee may determine that it is in the best interests of the statutory trust that the proceeding:

“(1) Continue under the control of the plaintiff;

“(2) Continue under the control of the committee;

“(3) Be settled on terms approved by the committee; or

“(4) Be dismissed.

“(e) After making a determination under subsection (d) of this section, a special litigation committee shall file with the court a statement of its determination and its report supporting its determination and shall serve each party with a copy of the determination and report. The court shall determine whether the members of the committee were disinterested and independent and

whether the committee conducted its investigation and made its recommendation in good faith, independently, and with reasonable care, with the committee having the burden of proof. If the court finds that the members of the committee were disinterested and independent and that the committee acted in good faith, independently, and with reasonable care, the court shall enforce the determination of the committee. Otherwise, the court shall dissolve the stay of discovery entered under subsection (a) of this section and allow the action to proceed under the direction of the plaintiff.

“§ 29-1206.15. Limitations on distributions.

New
§ 29-1206.15

“(a) A statutory trust may not make a distribution, including a distribution under § 29-1208.03(b)(2), if after the distribution:

“(1) The trust would not be able to pay its debts as they become due in the ordinary course of the trust’s activities and affairs; or

“(2) The trust’s total assets would be less than the sum of its total liabilities plus, unless the governing instrument permits otherwise, the amount that would be needed, if the trust were to be dissolved and wound up at the time of the distribution, to satisfy the preferential rights upon dissolution and winding up of beneficial owners and transferees whose preferential rights are superior to the right to receive distributions of the persons receiving the distribution.

“(b) A trustee may base a determination that a distribution is not prohibited under subsection (a) of this section on:

“(1) Financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances; or

“(2) A fair valuation or other method that is reasonable under the circumstances.

“(c) Except as otherwise provided in subsection (e) of this section, the effect of a distribution under subsection (a) of this section is measured:

“(1) In the case of a distribution by purchase, redemption, or other acquisition of a beneficial interest, as of the earlier of the date:

“(A) Money or other property is transferred or debt is incurred by the trust; or

“(B) The person entitled to the distribution ceases to own the interest or rights being acquired by the trust in return for the distribution;

“(2) In the case of any other distribution of indebtedness, as of the date the indebtedness is distributed; and

“(3) In all other cases, as of the date:

“(A) The distribution is authorized, if the payment occurs not later than 120 days after that date; or

“(B) The payment is made, if the payment occurs more than 120 days after the distribution is authorized.

“(d) A statutory trust’s indebtedness to a beneficial owner or transferee incurred by reason of a distribution made in accordance with this section is at parity with the trust’s indebtedness to its general, unsecured creditors, except to the extent subordinated by agreement.

“(e) A statutory trust’s indebtedness, including indebtedness issued as a distribution, is not a liability for purposes of subsection (a) of this section if the terms of the indebtedness provide that payment of principal and interest are made only if and to the extent that payment of a distribution could then be made under this section. If indebtedness is issued as a distribution, each payment of principal or interest is treated as a distribution, the effect of which is measured on the date the payment is actually made.

“(f) In measuring the effect of a distribution under § 29-1208.03(b)(2), the debts, obligations, and other liabilities of a dissolved statutory trust do not include any claim that has been disposed of under § 29-1208.04, 29-1208.05, or 29-1208.06.

“§ 29-1206.16. Liability for improper distributions.

New
§ 29-1206.16

“(a) If a trustee of a statutory trust consents to a distribution made in violation of § 29-1206.15 and in consenting to the distribution fails to comply with § 29-1205.05, the trustee is personally liable to the trust or the series thereof for the amount of the distribution which exceeds the amount that could have been distributed in accordance with § 29-1206.15.

“(b) A person that receives a distribution knowing that the distribution was made in violation of § 29-1206.15 is personally liable to the statutory trust or series thereof, but only to the extent that the distribution received by the person exceeded the amount that could have been properly paid under § 29-1206.15.

“(c) A person against which an action is commenced because the person is liable under subsection (a) or (b) of this section may implead:

“(1) Any other person that is liable under subsection (a) of this section and seek to enforce a right of contribution from that person; and

“(2) Any person that received a distribution in violation of subsection (c) of this section and seek to enforce a right of contribution from that person in the amount the person received in violation of subsection (c) of this section.

“(d) An action under this section is barred if not commenced not later than 2 years after the distribution.”.

(8) Subchapter VIII is amended as follows:

Amend
§ 29-1208.01

(A) Section 29-1208.01(2)(A) is amended by striking the phrase “On the occurrence of an event or circumstance that the governing instrument states causes dissolution” and inserting the phrase “As provided in the certificate of trust” in its place.

(B) Section 29-1208.03 (b)(2) is amended by striking the word “section” and inserting the word “subsection” in its place.

Amend
§ 29-1208.03

(C) Section 29-1208.04 is amended as follows:

Amend
§ 29-1208.04

(i) The heading is amended by striking the phrase “Notice to claimant” and inserting the phrase “Known claims against dissolved statutory trust” in its place.

(ii) Subsection (a) is amended by striking the phrase “dispose of a known claim against it by sending notice to the claimant in a record of the dissolution of the trust” and inserting the phrase “give notice of a known claim which has the effect provided in subsection (b) of this section. The trust may, in a record, notify its known claimants of the dissolution” in its place.

(iii) Subsection (c)(2) is amended by striking the phrase “unmatured or”.

(D) Section 29-1208.05 is amended as follows:

Amend
§ 29-1208.05

(i) The heading is amended by striking the phrase “Publication of notice” and inserting the phrase “Other claims against dissolved statutory trust” in its place.

(ii) Subsection (c) is amended as follows:

(I) Strike the word “unless” and insert the phrase “the claim of each of the following claimants is barred unless” in its place.

(II) Strike the phrase “, the claim of each of the following claimants shall be barred”.

(iii) Subsection (d) is amended to read as follows:

“(d) A claim not barred under this section or § 29-1208.04 may be enforced against:

“(1) A dissolved statutory trust, to the extent of its undistributed property; and

“(2) A beneficial owner, except as provided in § 29-1208.06, if property of the trust has been distributed after dissolution, against a beneficial owner to the extent of that person’s proportionate share of the claim or property distributed to the beneficial owner after dissolution, whichever is less.”.

(iv) Subsection (e) is amended to read as follows:

“(e) A person’s total liability for all claims under subsection (d)(2) of this section does not exceed the total amount of assets distributed to the person after dissolution.”.

(E) A new section 29-1208.06 is added to read as follows:

New
§ 29-1208.06

“§ 29-1208.06. Court proceedings.

“(a) A dissolved statutory trust that has published a notice under § 29-1208.05 may file an application with the Superior Court, or, if the principal office is not located in the District, in the appropriate court where the office of its principal office is located, for a determination of the amount and form of security to be provided for payment of claims that are contingent or have not been made known to the dissolved trust or that are based on an event occurring after the effective date of dissolution but which, based on the facts known to the dissolved trust, are reasonably expected to arise after the effective date of dissolution. Provision need not be made for any claim that is or is reasonably anticipated to be barred under § 29-1208.05(c).

“(b) Notice of the proceeding must be given by the dissolved statutory trust to each claimant holding a contingent claim whose contingent claim is shown on the records of the dissolved trust not later than 10 days after the filing of the application under subsection (a) of this section.

“(c) The Superior Court may appoint a guardian ad litem to represent all claimants whose identities are unknown in any proceeding brought under this section. The reasonable fees and expenses of the guardian, including reasonable expert witness fees, must be paid by the dissolved statutory trust.

“(d) Provision by the dissolved statutory trust for security in the amount and the form ordered by the court under subsection (a) of this section satisfies the dissolved trust’s obligations

with respect to claims that are contingent, have not been made known to the dissolved trust, or are based on an event occurring after the effective date of dissolution, and such claims may not be enforced against a beneficial owner that received assets in liquidation.”.

Sec. 3. Section 9 of the Education Licensure Commission Act of 1976, effective March 16, 1989 (D.C. Law 7-217; D.C. Official Code § 38-1309), is amended by adding a new subsection (c-1) to read as follows:

Amend
§ 38-1309

“(c-1)(1) No educational institution licensed by the Education Licensure Commission (“Commission”) under the provisions of this act shall use as its title, in whole or in part, the words United States, federal, American, national, or civil service, or any other words which might reasonably imply an official connection with the government of the United States, or any of its departments, bureaus, or agencies, or of the government of the District of Columbia, nor shall any such institutions advertise or claim the power to issue degrees under the authority of Congress or otherwise than under the authority of the license granted to them by the Commission as hereinbefore provided. The prohibition in this section contained shall be deemed to include and is hereby declared applicable to any individual or individuals, association, or incorporation outside of the District of Columbia which shall undertake to do business in the District of Columbia or to confer degrees or certificates therein; provided, that no institution, incorporated prior to April 16, 1934, under the provisions of this subchapter, and carrying on its work exclusively in any foreign country with the consent and approval of the government thereof, shall if otherwise entitled to be licensed by the Commission, be denied the same solely because of the inclusion in its name and as descriptive of its origin of any of the specific words the use of which is by this section forbidden to incorporations under the provisions of this subchapter.

“(2) The Commission may, for good cause shown, waive the prohibition of this section for any nonprofit educational institution incorporated and licensed in any jurisdiction if:

“(A) The institution clearly indicates to the Commission's satisfaction that it is not and does not hold itself out as or affiliated with an institution of the District of Columbia government or the federal government;

“(B) The institution provides statements in a conspicuous place in all of its publications, advertising, and student contracts that the institution is not affiliated with the federal or District government;

“(C) The institution is accredited by an accrediting association recognized by the United States Secretary of Education; and

“(D) The institution otherwise meets all applicable licensing requirements.”.

Sec. 4. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-902(16)(A) is amended by striking the phrase “to a limited liability company in accordance with § 29-1013” and inserting the phrase “to an entity in accordance with § 29-204.06” in its place.

Amend
§ 47-902

(b) Section 47-2855.01 is amended as follows:

Amend
§ 47-2855.01

(1) Paragraphs (4) through (7) are redesignated as paragraphs (5) through (8), respectively.

(2) A new paragraph (4) is added to read as follows:

“(4)(A) “Entity” means:

“(i) A business corporation;

“(ii) A nonprofit corporation;

partnership;

partnership;

“(v) A limited liability company;

“(vi) A general cooperative association;

“(vii) A limited cooperative association;

“(viii) An unincorporated nonprofit association;

trust; or

“(x) Any other person that has a legal existence separate from any interest holder of that person or the power to acquire an interest in real property in its own name.

“(B) The term “entity” does not include:

“(i) An individual;

donative purpose, or a charitable trust;

“(iii) An association or relationship that is not a partnership under the rules set forth in § 29-602.02(c) or a similar provision of the law of another jurisdiction;

“(iv) A decedent’s estate; or

instrumentality.”.

(3) The newly designated paragraph (6) is amended to read as follows:

“(6) “Person” means an individual, estate, business or nonprofit entity, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal entity.”.

(4) The newly designated paragraph (8) is amended as follows:

(A) Subparagraph (D) is amended to read as follows:

“(D) The registered company name of a domestic and foreign limited liability company as filed by the Mayor;”.

(B) Subparagraph (F) is amended to read as follows:

“(F) The registered partnership name of a domestic and foreign limited liability partnership as filed by the Mayor;”.

(C) Subparagraph (G) is amended by striking the period and inserting a semicolon in its place.

(D) New subparagraphs (H), (I), and (J) are added to read as

follows:

“(H) The registered name of a domestic and foreign statutory trust as filed by the Mayor;

“(I) The registered name of a domestic and foreign limited cooperative association as filed by the Mayor; or

“(J) The registered name of a domestic and foreign general cooperative association as filed by the Mayor.”.

(c) Section 47-2855.02 is amended as follows:

Amend
§ 47-2855.02

(1) Subsection (a) is amended as follows:

(A) Paragraph (4) is amended by striking the word “corporation” and inserting the phrase “for-profit or nonprofit corporation” in its place.

(B) New paragraphs (5), (6), (7), and (8) are added to read as follows:

“(5) A domestic or foreign statutory trust shall register by setting forth the statutory trust name as filed by the Mayor.

“(6) A domestic or foreign limited cooperative association shall register by setting forth the association name as filed by the Mayor.

“(7) A domestic or foreign general cooperative association shall register by setting forth the association name as filed by the Mayor.

“(8) A domestic or foreign limited liability partnership shall register by setting forth the partnership name as filed by the Mayor.”.

(2) Subsection (b) is amended to read as follows:

“(b) The trade name application shall contain the following information:

“(1) The name of the person applying for the trade name;

“(2) The name of proposed trade name;

“(3) Name and address of the governor of the entity; and

“(4) The name and address of the registered agent if person is located outside the District of Columbia.”.

(3) New subsections (c) and (d) are added to read as follows:

“(c) The trade name application shall be executed by:

“(1) The sole proprietor of a sole proprietorship; or

“(2) The governor of the entity or authorized person on behalf of the governor.

“(d) The trade name shall be distinguishable on the records of the Mayor from any:

“(1) Name of domestic or foreign filing entity as defined by Title 29.

“(2) Name that is reserved under § 29-103.03;

“(3) Name that is registered under § 29-103.04;

“(4) Another trade name registered under this chapter; or

“(5) The name of an agency or instrumentality of the United States or District of Columbia or another state or a subdivision thereof.”.

(d) Section 47-2855.03(a) is amended as follows:

Amend
§ 47-2855.03

(1) Paragraph (1) is amended by striking the word “or”.

(2) Paragraph (2) is amended as follows:

(A) Strike the word “registration” and insert the phrase “trade name application” in its place.

(B) Strike the period and insert the phrase “; or” in its place.

(3) A new paragraph (3) is added to read as follows:

“(3) The registered agent’s information set forth on the application.”.

(e) Section 47-2855.05 is amended by striking the phrase “master business license fund as defined in § 47-2851.13” and inserting the phrase “Corporate Recordation Fund ("Fund") as defined in § 29-102.13” in its place.

Amend
§ 47-2855.05

Sec. 5. Section 302(22)(A) of the District of Columbia Deed Recordation Tax Act, approved March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1102(22)(A)), is amended by striking the phrase “§ 29-1013” and inserting the phrase “§ 29-204.06” in its place.

Amend
§ 42-1102

Sec. 6. Section 402(c)(2) of the Rental Housing Conversion and Sale Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3404.02(c)(2)), is amended as follows:

Amend
§ 42-3404.02

(a) Subparagraph (G) is amended by striking the phrase “to a limited liability company as contemplated by § 29–1013” and inserting the phrase “to an entity under § 29-204.06” in its place.

(b) Subparagraph (I) is amended by striking the phrase “to a limited liability company as contemplated by § 29–1013)” and inserting the phrase “to an entity under § 29-204.06” in its place.

Sec. 7. Applicability.

This act shall apply as of January 1, 2012.

Applicable
As of
January 1,
2012

Sec. 8. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 9. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.