

Tennessee Law, Business Law 2025 Title 48

2024 Tennessee Law Title 48 - Businesss And Associations (§§ 48-1-101 — 48-250-115) For-Profit Business (§§ 48-11-101 — 48-28-109) Chapter 11 - General Provisions (§§ 48-11-101 — 48-11-402) Part 2 - Definitions And Notice (§§ 48-11-201 — 48-11-203)

Section 48-11-201 - Definitions for chapters 11 through 27

Universal Citation:

Tennessee Law § 48-11-201 (2024)

As used in chapters 11-27 of this title, unless the context otherwise requires (or the term is otherwise defined in another chapter of the Tennessee Business Act, in which event the term shall have such other meaning for that chapter):

- **(1)** "Affiliate" of a specific person means a person that directly, or indirectly through one (1) or more intermediaries, controls, or is controlled by, or is under common control with, the person specified;
- **(2)** "Authorized shares" means the shares of all classes a domestic or foreign business is authorized to issue;
- **(3)** "Business" means any activity or function;
- **(4)** "Charter" includes amended and restated charters and articles of merger;
- **(5)** "Confirmation of good standing" means confirmation by the commissioner of revenue issued through electronic communication to the secretary of state or a certificate of tax clearance that at the time such confirmation is issued a domestic or foreign business is current on all taxes and penalties to the satisfaction of the commissioner;

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- **(6)** "Conspicuous" means so written that a reasonable person against whom the writing is to operate should have noticed it. For example, printing in italics or boldface or contrasting color, or typing in capitals or underlined, is conspicuous;
- **(7)** "Business," "domestic business" means a business for profit, which is not a foreign business, organized under or subject to chapters 11-27 of this title;
- **(8)** "Deliver" or "delivery" means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery, and, if authorized in accordance with § 48-11-202, by electronic transmission;
- **(9)** "Distribution" means a direct or indirect transfer of money or other property (except its own shares) or incurrence of indebtedness (whether directly or indirectly, including through a guaranty) by a business to or for the benefit of its shareholders in respect of any of its shares. A distribution may be in the form of a declaration or payment of a dividend; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness (which includes the incurrence of indebtedness for the benefit of the shareholders); or otherwise;
- **(10)** "Document" means:
 - **(A)** Any tangible medium on which information is inscribed, and includes any writing or written instrument; or
 - **(B)** An electronic record;
- **(11)** "Effective date of notice," as defined in § 48-11-202(i);
- **(12)** "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;
- **(13)** "Electronic record" means information that is stored in an electronic or other medium and is retrievable in paper form through an automated process used in conventional commercial practice, unless otherwise authorized in accordance with § 48-11-202;
- **(14)** "Electronic transmission" or "electronically transmitted" means any form or process of communication not directly involving the physical transfer of paper or another tangible medium, which is:
 - **(A)** Suitable for the retention, retrieval, and reproduction of information by the recipient; and
 - **(B)** Is retrievable in paper form by the recipient through an automated process used in conventional commercial practice, unless otherwise authorized in accordance with § 48-11-202(j);

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- **(15)** "Emergency" exists when a quorum of the business directors cannot readily be assembled because of some catastrophic event;
- **(16)** "Employee" includes an officer but not a director. A director may accept duties that make the director also an employee;
- **(17)** "Entity" includes domestic and foreign business; domestic and foreign nonprofit business; estate; trust; domestic and foreign unorganized entity and state, United States, and foreign government. The term includes two (2) or more persons having a joint or common economic interest;
- **(18)** "Filing entity" means an unorganized entity that is of a type that is created by filing a public organic document;
- **(19)** "Foreign business" means a business for profit organized under a law other than the laws of this state;
- **(20)** "Foreign nonprofit business" means a business organized under a law other than the law of this state, which would be a nonprofit business if organized under the laws of this state;
- **(21)** "Foreign unorganized entity" means an unorganized entity whose internal affairs are governed by an organic law of a jurisdiction other than this state;
- **(22)** "Governmental subdivision" includes authority, county, district, and municipality;
- **(23)** "Includes" denotes a partial definition;
- **(24)** "Individual" includes the estate of an incompetent or deceased individual;
- **(25)** "Interest" means either or both of the following rights under the organic law of an unorganized entity:
 - **(A)** The right to receive distributions from the entity either in the ordinary course or upon liquidation; or
 - **(B)** The right to receive notice or vote on issues involving its internal affairs, other than as an agent, assignee, proxy, or person responsible for managing its business and affairs;
- **(26)** "Means" denotes an exhaustive definition;
- **(27)** "Month" means the time from any day of any month to the corresponding day of the succeeding month, if any, and if none, the last day of the succeeding month. "A period of two (2) or more months" means the time from any day of the first month in such period to

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- the corresponding day of the last month in such period, if any, and if none, the last day of the last month in such period;
- **(28)** "Nonfiling entity" means an unorganized entity that is of a type that is not created by filing a public organic document;
- **(29)** "Nonprofit business" or "domestic nonprofit business" means a business organized under the laws of this state and subject to the Tennessee Nonprofit Business Act, compiled in chapters 51-68 of this title;
- **(30)** "Notice," as defined in § 48-11-202;
- **(31)** "Organic document" means a public organic document or a private organic document;
- **(32)** "Organic law" means the statute governing the internal affairs of a domestic or foreign business or nonprofit business or unorganized entity;
- **(33)** "Person" includes individual and entity;
- **(34)** "Principal office" means the office (in or out of this state) so designated in the annual report where the principal executive offices of a domestic or foreign business are located;
- **(35)** "Private organic document" means any document (other than the public organic document, if any) that determines the internal governance of an unorganized entity. Where a private organic document has been amended or restated, the term means the private organic document as last amended or restated;
- **(36)** "Proceeding" includes civil suit and criminal, administrative, and investigatory action;
- **(37)** "Public organic document" means the document, if any, that is filed of public record to create an unorganized entity. Where a public organic document has been amended or restated, the term means the public organic document as last amended or restated;
- **(38)** "Record date" means the date established under chapter 16 or 17 on which a business determines the identity of its shareholders for purposes of chapters 11-27 of this title;
- **(39)** "Secretary" means the business officer to whom the bylaws or the board of directors has delegated responsibility under § 48-18-401(c) for custody of the minutes of the

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- meetings of the board of directors and of the shareholders and for authenticating records of the business;
- **(40)** "Share" means the unit into which the proprietary interests in a business are divided;
- **(41)** "Shareholder" means the person in whose name shares are registered in the records of a business or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a business;
- **(42)** "Sign" or "signature" means, with present intent to authenticate or adopt a document:
 - **(A)** To execute or adopt a tangible symbol to a document, and includes any manual, facsimile, or conformed signature; or
 - **(B)** To attach to or logically associate with an electronic transmission an electronic sound, symbol, or process, and includes an electronic signature in an electronic transmission;
- **(43)** "State," when referring to a part of the United States, includes a state and commonwealth (and their agencies and governmental subdivisions) and a territory and insular possession (and their agencies and governmental subdivisions) of the United States;
- **(44)** "Subscriber" means a person who subscribes for shares in a business, whether before or after in business;
- **(45)** "Subsidiary" means a business more than fifty percent (50%) of whose outstanding voting shares are owned by its parent and/or the parent's other wholly-owned subsidiaries;
- **(46)** "Tax clearance for termination or withdrawal" means confirmation by the commissioner of revenue issued through electronic communication to the secretary of state or a certificate of tax clearance that a domestic or foreign business has filed all applicable reports, including, but not limited to, a final report, and has paid all fees, penalties and taxes as required by the revenue laws of this state;
- **(47)** "Unorganized entity" means an organization or artificial legal person that either has a separate legal existence or has the power to acquire an estate in real property in its own name and that is not any of the following: a domestic or foreign business or nonprofit business, an estate, a trust, a state, the United States, or a foreign government. The term includes a general partnership, limited liability company, limited partnership, business trust, joint stock association, and unorganized nonprofit association;
- **(48)** "United States" includes any other agency of the United States;

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- **(49)** "Voting group" means all shares of one (1) or more classes or series that under the charter or chapters 11-27 of this title are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the charter or chapters 11-27 of this title to vote generally on the matter are for that purpose a single voting group; and
- **(50)** "Writing" or "written" means any information in the form of a document.