

READING THE HARMONIZATION OF BUSINESS ENTITY ACTS AT THE 2011 ANNUAL MEETING

The Harmonization of Business Entity Acts project consists of 9 separate acts. These are:

1. Harmonized Business Organizations Act
2. Harmonized Model Entity Transactions Act
3. Harmonized Uniform Limited Liability Company Act
4. Harmonized Uniform Limited Partnership Act
5. Harmonized Uniform Statutory Trust Entity Act
6. Harmonized Uniform Partnership Act
7. Harmonized Uniform Limited Cooperative Associations Act
8. Harmonized Revised Uniform Unincorporated Nonprofit Association Act
9. Harmonized Model Registered Agents Act

The sections of these 9 acts that will be read at the Annual Meeting in Vail will be:

1. The sections in the Hub (currently called the Business Organizations Code) that have been amended;
2. The sections in META that have non-Hub amendments;
3. The amended sections of the other spokes that are designated on the following pages as unique to that spoke.

Since the 9 acts combined contain over 1,000 pages of text, it will be impossible to read all the amendments in every act. The changes in the Hub and META are repeated in all the other acts and many of the unique sections listed below are replicated in one or more of the other acts. Thus all of the amendments to all of the acts will be read at least once. *Note: no changes in MORAA need to be read since they are all Hub-related changes.*

Unique Provisions

On occasion, the Drafting Committee would examine parallel provisions in several acts and then decide to express the relevant concept in language differing from each of the acts. If the concept appears in the HUB, the “new” language was deemed to have originated there. Next in line was META. If the concept appeared neither in the HUB nor META, usually HULLCA was deemed to be the origin of the language. This hierarchy conforms to the order in which the Committee will read the acts at the annual meeting.

HULLCA (Limited Liability Company)

102(2) – Most of the changes come from HULPA’s corresponding provision, but a few words are deemed to have been changed here.

102(4)

102(24)

102(25)

104(a) – The Drafting Committee is aware that the singular includes the plural and vice versa. However, some fear that judges will be more likely to conflate a sole member and the SMLLC (perhaps because tax law does so for many purposes); the Committee therefore decided to specifically refer to both members and member. A comparable decision was made during the drafting of RULLCA, albeit in a different context. RULLCA, § 102(13) defines “operating agreement” as “the agreement ... of all the members of a limited liability company, including a sole member,”

105 – The addition of “and affairs” has been made throughout the acts, except in acts requiring a business purpose (e.g., HUPA). I will note each occurrence in HULLCA.

111(a), (a)(3), (b), (c) [*passim*], (e)(2)

113(b)(2)

201(d)

203(a)(3)

211(b)(2) and (3)

212(a)(4) and (5), (c)

304(b)

403(b)

405(a), (a)(1) and (2), (b), (c)(1) and (2), (d), (e), and (f)

406(d)(1) & (2)

407(b)(2) & (3), (c)(2)

408(a), (b), and (c)

409(b)(1)(A), (b)(2), (c), (h), (i)(5)

410(a)(1), a(2)(A) & (B), (b)(2), (i)

502(a), (a)(2), (a)(3)(A) & (B), (g)

503(a), (c), (f)

504(2)

601(b)(2)

602(3), (5)(A), (6)(A) & (C), (9), (11), (16)

603(a)(1)

701(a), (a)(4)(B)

702(a), (b), (b)(1), (b)(2)(B), (c), (d), (d)(2), (d)(2)(B)

703

704(b)(2)

705(b)(2) & (3)

706 – This language comes essentially and purposely verbatim from the Delaware LLC Act.

707(d)

710(a)

905(e)

HULPA (Limited Partnership)

305(a) & (b)

404(b) & (c)

605(a)(3)

702(g) & (h)

801(a)(5), (b) [Subsection (b) is improperly formatted and should be in SMALL CAPS.

802(c)(1), (d)(1)

809

813(b)(2)

USTEA (Statutory Trust Entity)

103(e)(5) & (6)

104(5), (8), (12), (15), (17)

301(2)

306(a), (a)(1) & (2), (b), (c)

401(d)

402(b) and (c)

404(d)

602

801(2)

901(a)(3)

HUPA (general Partnership)

104

108(b)(2)(B)

303(a)(1)(B)

401(a)

701(a)(c) and (d)

1001

1009(d)

ULCAA (Limited Cooperative Association)

This Act has no unique revisions. In three sections, revisions are incorrectly shown in SMALL CAPS. The format should be *italics*, because these revisions derive from other acts.

605

1007

1206A

UUNAA (Unincorporated Nonprofit Association)

17

24