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HOUSE BILL NO. 1149

Offered January 8, 2020

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A *BILL to amend and reenact §§ 13.1-603, 13.1-604, 13.1-609, and 13.1-610, §§ 13.1-614.1, 13.1-614.7, 13.1-615.1, and 13.1-616, as they shall become effective, §§ 13.1-619, 13.1-624, 13.1-630, 13.1-636, 13.1-652, 13.1-657, 13.1-679, 13.1-692.1, 13.1-695, 13.1-712.1, as it shall become effective, 13.1-716, 13.1-718, 13.1-719, and 13.1-721, §§ 13.1-721.1, 13.1-722.5, 13.1-722.7:1, and 13.1-722.9 through 13.1-722.13, as they shall become effective, and §§ 13.1-761, 13.1-764, and 13.1-766.1 of the Code of Virginia and to repeal § 13.1-768.1 of the Code of Virginia, relating to the Virginia Stock Corporation Act.*

Patron—Keam

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That §§ 13.1-603, 13.1-604, 13.1-609, and 13.1-610, §§ 13.1-614.1, 13.1-614.7, 13.1-615.1, and 13.1-616, as they shall become effective, §§ 13.1-619, 13.1-624, 13.1-630, 13.1-636, 13.1-652, 13.1-657, 13.1-679, 13.1-692.1, 13.1-695, 13.1-712.1, as it shall become effective, 13.1-716, 13.1-718, 13.1-719, and 13.1-721, §§ 13.1-721.1, 13.1-722.5, 13.1-722.7:1, and 13.1-722.9 through 13.1-722.13, as they shall become effective, and §§ 13.1-761, 13.1-764, and 13.1-766.1 of the Code of Virginia are amended and reenacted as follows:

§ 13.1-603. Definitions.

As used in this chapter:

"Articles of incorporation" means all documents constituting, at any particular time, the charter of a corporation. It includes the original charter issued by the General Assembly, a court or the Commission and all amendments including certificates of consolidation, serial designation, reduction, correction, and merger. It excludes articles of share exchange filed by an acquiring corporation. When the articles of incorporation have been restated pursuant to any articles of restatement, amendment, domestication, or merger, it includes only the restated articles of incorporation, including any articles of serial designation, without the accompanying articles of restatement, amendment, domestication, or merger. When used with respect to a foreign corporation, the "articles of incorporation" of such entity means the document that is equivalent to the articles of incorporation of a domestic corporation.

"Authorized shares" means the shares of all classes a domestic or foreign corporation is authorized to issue.

"Beneficial shareholder" means a person that owns the beneficial interest in shares, which may be a record shareholder or a person on whose behalf shares are registered in the name of an intermediary as nominee.

"Certificate," when relating to articles filed with the Commission, means the order of the Commission that makes the articles effective, together with the articles.

"Commission" means the State Corporation Commission of Virginia.

"Conspicuous" means so written, displayed, or presented that a reasonable person against whom the writing is to operate should have noticed it. For example, text that is italicized, is in boldface, contrasting colors, or capitals, or is underlined, is conspicuous.

"Corporation" or "domestic corporation" means a corporation authorized by law to issue shares, irrespective of the nature of the business to be transacted, organized under this chapter or existing pursuant to the laws of the Commonwealth on January 1, 1986, or which, by virtue of articles of incorporation, amendment, or merger, has become a domestic corporation of the Commonwealth, even though also being a corporation organized under laws other than the laws of the Commonwealth, or that has become a domestic corporation of the Commonwealth pursuant to Article 12.1 (§ 13.1-722.1:1 et seq.) or Article 12.2 (§ 13.1-722.8 et seq.) of this chapter or Article 15 (§ 13.1-1081 et seq.) of Chapter 12.

"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 § 13.1-610, electronic transmission.

"Derivative proceeding" means a civil suit in the right of a domestic corporation or, to the extent provided in Article 8.1 (§ 13.1-672.1 et seq.), a foreign corporation.

"Disinterested director" means, except with respect to Article 14 (§ 13.1-725 et seq.), a director who, at the time action is to be taken under subdivision B 5 of § 13.1-619, § 13.1-672.4, 13.1-691, 13.1-699,

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59 or 13.1-701, does not have (i) a financial interest in a matter that is the subject of such action or (ii) a
60 familial, financial, professional, employment, or other relationship with a person who has a financial
61 interest in the matter, either of which would reasonably be expected to impair the objectivity of the
62 director's judgment when participating in the action, and if the action is to be taken under § 13.1-699 or
63 13.1-701, is also not a party to the proceeding. The presence of one or more of the following
64 circumstances shall not by itself prevent a person from being a disinterested director: (i) nomination or
65 election of the director to the board by any director who is not a disinterested director with respect to
66 the matter or by any person that has a material relationship with that director, acting alone or
67 participating with others; (ii) service as a director of another corporation of which a director who is not
68 a disinterested director with respect to the matter, or any person that has a material relationship with that
69 director, is or was also a director; or (iii) at the time action is to be taken under § 13.1-672.4, status as a
70 named defendant, as a director against whom action is demanded, or as a director who approved the act
71 being challenged.

72 "Distribution" means a direct or indirect transfer of cash or other property, except the corporation's
73 own shares, or incurrence of indebtedness by a corporation to or for the benefit of its shareholders in
74 respect of any of its shares. A distribution may be in the form of a payment of a dividend; a purchase,
75 redemption, or other acquisition of shares; a distribution of indebtedness of the corporation; a
76 distribution in liquidation; or otherwise. Distribution does not include an acquisition by a corporation of
77 its shares from the estate or personal representative of a deceased shareholder, or any other shareholder,
78 but only to the extent the acquisition is effected using the proceeds of insurance on the life of such
79 deceased shareholder and the board of directors approved the policy and the terms of the redemption
80 prior to the shareholder's death.

81 "Document" means (i) any tangible medium on which information is inscribed, and includes
82 handwritten, typed, printed, or similar instruments and copies of such instruments, or (ii) an electronic
83 record.

84 "Domestic" with respect to an entity, means an entity governed as to its internal affairs by the
85 organic law of the Commonwealth.

86 "Domestic business trust" has the same meaning as specified in § 13.1-1201.

87 "Domestic limited liability company" has the same meaning as specified in § 13.1-1002.

88 "Domestic limited partnership" has the same meaning as specified in § 50-73.1.

89 "Domestic nonstock corporation" has the same meaning as "domestic corporation" as specified in
90 § 13.1-803.

91 "Domestic partnership" means an association of two or more persons to carry on as co-owners a
92 business for profit formed under § 50-73.88, or predecessor law of the Commonwealth, and includes,
93 for all purposes of the laws of the Commonwealth, a registered limited liability partnership.

94 "Effective date," when referring to a document for which effectiveness is contingent upon issuance of
95 a certificate by the Commission, means the time and date determined in accordance with § 13.1-606.

96 "Effective date of notice" is defined in subdivision A 9 of § 13.1-610.

97 "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical,
98 electromagnetic, or similar capabilities.

99 "Electronic record" means information that is stored in an electronic or other nontangible medium
100 and is retrievable in paper form through an automated process used in conventional commercial practice,
101 unless otherwise authorized in accordance with subdivision A 10 of § 13.1-610.

102 "Electronic transmission" or "electronically transmitted" means any form or process of
103 communication, not directly involving the physical transfer of paper or another tangible medium, that (i)
104 is suitable for the retention, retrieval, and reproduction of information by the recipient, and (ii) is
105 retrievable in paper form by the recipient through an automated process used in conventional
106 commercial practice, unless otherwise authorized in accordance with subdivision A 10 of § 13.1-610.

107 "Eligible entity" means a domestic or foreign unincorporated entity or a domestic or foreign nonstock
108 corporation.

109 "Eligible interests" means interests or memberships.

110 "Employee" includes, unless otherwise provided in the bylaws, an officer but not a director. A
111 director may accept duties that make the director also an employee.

112 "Entity" includes any domestic or foreign corporation; any domestic or foreign nonstock corporation;
113 any domestic or foreign unincorporated entity; any estate or trust; and any state, the United States and
114 any foreign government.

115 "Expenses" means reasonable expenses of any kind that are incurred in connection with a matter.

116 "Filing entity" means an unincorporated entity other than a general partnership.

117 "Foreign," with respect to an entity, means an entity governed as to its internal affairs by the organic
118 law of a jurisdiction other than the Commonwealth.

119 "Foreign business trust" has the same meaning as specified in § 13.1-1201.

120 "Foreign corporation" means a corporation authorized by law to issue shares, organized under laws

121 other than the laws of the Commonwealth.

122 "Foreign limited liability company" has the same meaning as specified in § 13.1-1002.

123 "Foreign limited partnership" has the same meaning as specified in § 50-73.1.

124 "Foreign nonstock corporation" means a corporation that is incorporated under a law other than the
125 law of the Commonwealth and would, based on its public organic record, be a nonstock corporation if
126 incorporated under the law of the Commonwealth.

127 "Foreign partnership" means an association of two or more persons to carry on as co-owners of a
128 business for profit formed under the laws of any state or jurisdiction other than the Commonwealth, and
129 includes, for all purposes of the laws of the Commonwealth, a foreign registered limited liability
130 partnership.

131 "Foreign registered limited liability partnership" has the same meaning as specified in § 50-73.79.

132 "Foreign unincorporated entity" means ~~an unincorporated entity whose internal affairs are governed~~
133 ~~by the organic law of a jurisdiction other than the Commonwealth a foreign partnership, foreign limited~~
134 ~~liability company, foreign limited partnership, or foreign business trust.~~

135 "Government subdivision" includes authority, county, district, and municipality.

136 "Governor" means any person under whose authority the powers of an entity are exercised and under
137 whose direction the activities and affairs of the entity are managed pursuant to the organic law
138 governing the entity and its organic rules.

139 "Includes" and "including" denote a partial definition as a nonexclusive list.

140 "Individual" means a natural person.

141 "Interest" means either or both of the following rights under the organic law governing an
142 unincorporated entity:

143 1. The right to receive distributions from the entity either in the ordinary course or upon liquidation;
144 or

145 2. The right to receive notice or to vote on issues involving its internal affairs, other than as an
146 agent, assignee, proxy or person responsible for managing its business and affairs.

147 "Interest holder" means a person who holds of record an interest.

148 "Interest holder liability" means:

149 1. Personal liability for a debt, obligation, or other liability of a domestic or foreign corporation or
150 domestic or foreign eligible entity that is imposed on a person:

151 a. Solely by reason of the person's status as a shareholder, member, or interest holder; or

152 b. By the articles of incorporation of the domestic corporation or the organic rules of the eligible
153 entity or foreign corporation that make one or more specified shareholders, members, or interest holders,
154 or categories of shareholders, members, or interest holders, liable in their capacity as shareholders,
155 members, or interest holders for all or specified liabilities of the corporation or eligible entity; or

156 2. An obligation of a shareholder, member, or interest holder under the articles of incorporation of a
157 domestic corporation or the organic rules of an eligible entity or foreign corporation to contribute to the
158 entity.

159 For purposes of the foregoing, except as otherwise provided in the articles of incorporation of a
160 domestic corporation or the organic law or organic rules of an eligible entity or a foreign corporation,
161 interest holder liability arises under subdivision 1 when the corporation or eligible entity incurs the
162 liability.

163 "Jurisdiction of formation" means the state or country the law of which includes the organic law
164 governing a domestic or foreign corporation or eligible entity.

165 "Means" denotes an exhaustive definition.

166 "Membership" means the rights of a member in a domestic or foreign nonstock corporation or
167 limited liability company.

168 "Merger" means a transaction pursuant to § 13.1-716 or 13.1-766.1.

169 "Notice" is defined in § 13.1-610.

170 "Organic law" means the statute governing the internal affairs of a domestic or foreign corporation or
171 eligible entity.

172 "Organic rules" means the public organic record and private organic rules of a domestic or foreign
173 corporation or eligible entity.

174 ~~"Partnership" has the same meaning as specified in § 50-73.79.~~

175 "Person" includes an individual and an entity.

176 "Principal office" means the office, in or out of the Commonwealth, where the principal executive
177 offices of a domestic or foreign corporation are located, or, if there are no such offices, the office, in or
178 out of the Commonwealth, so designated by the board of directors. The designation of the principal
179 office in the most recent annual report filed pursuant to § 13.1-775 shall be conclusive for purposes of
180 this chapter.

181 "Private organic rules" means (i) the bylaws of a domestic or foreign corporation or nonstock

182 corporation or (ii) the rules, regardless of whether in writing, that govern the internal affairs of an
183 unincorporated entity, are binding on all its interest holders, and are not part of its public organic record.
184 Where private organic rules have been amended or restated, the term means the private organic rules as
185 last amended or restated.

186 "Proceeding" includes civil suit and criminal, administrative, and investigatory action.

187 "*Protected series*" has the same meaning as specified in § 13.1-1002.

188 "Public corporation" means a corporation that has shares listed on a national securities exchange or
189 regularly traded in a market maintained by one or more members of a national or affiliated securities
190 association.

191 "Public organic record" means (i) the articles of incorporation of a domestic or foreign corporation or
192 nonstock corporation or (ii) the document, the filing of which is required to create an unincorporated
193 entity. Where a public organic record has been amended or restated, the term means the public organic
194 record as last amended or restated.

195 "Record date" means the date fixed for determining the identity of the corporation's shareholders and
196 their shareholdings for purposes of this chapter. The determinations shall be made as of the close of
197 business at the principal office of the corporation on the record date unless another time for doing so is
198 specified when the record date is fixed.

199 "Record shareholder" means (i) the person in whose name shares are registered in the records of the
200 corporation or (ii) the person identified as the beneficial owner of shares in a beneficial ownership
201 certificate pursuant to § 13.1-664 on file with the corporation to the extent of the rights granted by such
202 certificate.

203 "Registered limited liability partnership" has the same meaning as specified in § 50-73.79.

204 "Secretary" means the corporate officer or other individual to whom the board of directors has
205 delegated responsibility under subsection C of § 13.1-693 for custody of the minutes of the meetings of
206 the board of directors and of the shareholders and for authenticating records of the corporation.

207 "*Series limited liability company*" has the same meaning as specified in § 13.1-1002.

208 "Share exchange" means a transaction pursuant to § 13.1-717.

209 "Shareholder" means a record shareholder.

210 "Shares" means the units into which the proprietary interests in a corporation are divided.

211 "Sign" or "signature" means, with present intent to authenticate or adopt a document: (i) to execute
212 or adopt a tangible symbol to a document, and includes any manual, facsimile, or conformed signature;
213 or (ii) to attach to or logically associate with an electronic transmission an electronic sound, symbol, or
214 process, and includes an electronic signature in an electronic transmission.

215 "State" when referring to a part of the United States, includes a state, commonwealth, and the
216 District of Columbia, and their agencies and governmental subdivisions; and a territory or insular
217 possession, and their agencies and governmental subdivisions, of the United States.

218 "Subscriber" means a person who subscribes for shares in a corporation, whether before or after
219 incorporation.

220 "Subsidiary" means, as to any corporation, any other corporation of which it owns, directly or
221 indirectly, voting shares entitled to cast a majority of the votes entitled to be cast generally in an
222 election of directors of such other corporation.

223 "Unincorporated entity" or "domestic unincorporated entity" means a domestic partnership, limited
224 liability company, limited partnership or business trust.

225 "United States" includes district, authority, bureau, commission, department, and any other agency of
226 the United States.

227 "Unrestricted voting trust beneficial owner" means, with respect to any shareholder rights, a voting
228 trust beneficial owner whose entitlement to exercise the shareholder right in question is not inconsistent
229 with the voting trust agreement.

230 "Voting group" means all shares of one or more classes or series that under the articles of
231 incorporation or this chapter are entitled to vote and be counted together collectively on a matter at a
232 meeting of shareholders. All shares entitled by the articles of incorporation or this chapter to vote
233 generally on the matter are for that purpose a single voting group.

234 "Voting power" means the current power to vote in the election of directors.

235 "Voting trust beneficial owner" means an owner of a beneficial interest in shares of the corporation
236 held in a voting trust established pursuant to subsection A of § 13.1-670.

237 "Writing" or "written" means any information in the form of a document.

238 **§ 13.1-604. Filing requirements.**

239 A. A document shall satisfy the requirements of this section, and of any other section that adds to or
240 varies these requirements, to be entitled to be filed with the Commission.

241 B. To be entitled to be filed with the Commission, this chapter shall require or permit the document
242 to be filed with the Commission.

243 C. The document shall contain the information required by this chapter and may contain other

244 information as well.

245 D. The document shall be typewritten or printed or, if electronically transmitted, shall be in a format
246 that can be retrieved or reproduced in typewritten or printed form. The typewritten or printed portion
247 shall be in black. Photocopies, or other reproduced copies, of typewritten or printed documents may be
248 filed. In every case, information in the document shall be legible and the document shall be capable of
249 being reformatted and reproduced in copies of archival quality.

250 E. The document shall be in the English language. A corporate name need not be in English if
251 written in English letters or Arabic or Roman numerals. The articles of incorporation, duly authenticated
252 by the official having custody of corporate records in the jurisdiction of formation of the foreign
253 corporation, that are required of foreign corporations need not be in English if accompanied by a
254 reasonably authenticated English translation.

255 F. The document shall be signed in the name of the domestic or foreign corporation:

256 1. By the chairman or any vice-chairman of the board of directors, the president, or any other of its
257 officers;

258 2. If directors have not been selected or the corporation has not been formed, by an incorporator; or

259 3. If the corporation is in the hands of a receiver, trustee, or other court-appointed fiduciary, by that
260 fiduciary.

261 G. Any annual report required to be filed by § 13.1-775 shall be signed in the name of the
262 corporation by an officer or director listed in the report or, if the corporation is in the hands of a
263 receiver, trustee, or other court-appointed fiduciary, by that fiduciary.

264 H. The person executing the document shall sign it and state beneath or opposite his signature his
265 name and the capacity in which the document is signed. The document may but need not contain a
266 corporate seal, attestation, acknowledgment, or verification.

267 I. If, pursuant to any provision of this chapter, the Commission has prescribed a mandatory form for
268 the document, the document shall be in or on the prescribed form.

269 J. The document shall be delivered to the Commission for filing and shall be accompanied by the
270 correct filing fee, and any franchise tax, charter or entrance fee, registration fee, or penalty required by
271 this chapter to be paid at the time of delivery for filing.

272 K. The Commission may accept the electronic transmission of any document or other information
273 required or permitted to be filed by this chapter and may prescribe the methods of execution, recording,
274 reproduction and certification of electronically transmitted information pursuant to § 59.1-496.

275 L. Whenever a provision of this chapter permits any of the terms of a plan or a filed document to be
276 dependent on facts objectively ascertainable outside the plan or filed document, the following provisions
277 apply:

278 1. The plan or filed document shall specify the nationally recognized news or information medium in
279 which the facts can be found or otherwise state the manner in which the facts can be objectively
280 ascertained. The manner in which the facts will operate upon the terms of the plan or filed document
281 shall be set forth in the plan or filed document.

282 2. The facts may include:

283 a. Any of the following that is available in a nationally recognized news or information medium
284 either in print or electronically: statistical or market indices, market prices of any security or group of
285 securities, interest rates, currency exchange rates, or similar economic or financial data;

286 b. A determination or action by any person or body, including the corporation or any other party to a
287 plan or filed document; or

288 c. The terms of, or actions taken under, an agreement to which the corporation is a party, or any
289 other agreement or document.

290 3. As used in this subsection:

291 a. "Filed document" means a document filed with the Commission under § 13.1-619 or Article 11
292 (§ 13.1-705 et seq.), 12 (§ 13.1-715.1 et seq.), 12.1 (§ 13.1-722.1:1 et seq.), 12.2 (§ 13.1-722.8 et seq.),
293 16 (§ 13.1-742 et seq.), or 22 (§ 13.1-782 et seq.); and

294 b. "Plan" means a plan of domestication, conversion, merger, or share exchange.

295 4. The following terms of a plan or filed document may not be made dependent on facts outside the
296 plan or filed document:

297 a. The name and address of any person required in a filed document;

298 b. *A purpose that is required to be set forth in a filed document;*

299 c. The registered office *address* of any entity required in a filed document;

300 ~~e.~~ *d. The name or qualification of the registered agent of any entity required in a filed document;*

301 ~~d.~~ *e. The number of authorized shares and the designation and terms, including the preferences,*

302 *rights, and limitations of each class or series of shares;*

303 ~~e.~~ *f. The effective date of a filed document; and*

304 ~~f.~~ *g. Any required statement in a filed document of the date on which the underlying transaction was*

305 approved or the manner in which that approval was given.

306 5. If a term of a filed document is made dependent on a fact objectively ascertainable outside of the
 307 filed document, and that fact is not objectively ascertainable by reference to a source described in
 308 subdivision 2 a or a document that is a matter of public record, nor has notice of the fact been given by
 309 the corporation to the affected shareholders, then the corporation shall file with the Commission articles
 310 of amendment setting forth the fact promptly after the time when the fact referred to is first
 311 ascertainable or thereafter changes. Articles of amendment under this subdivision are deemed to be
 312 authorized by the authorization of the original filed document or plan to which they relate and may be
 313 filed by the corporation without further action by the board of directors or the shareholders.

314 6. The provisions of subdivisions 1, 2, and 5 shall not be considered by the Commission in deciding
 315 whether the terms of a plan or filed document comply with the requirements of law.

316 **§ 13.1-609. Certificate of good standing.**

317 A. Anyone may apply to the Commission to furnish a certificate of good standing for a domestic or
 318 foreign corporation.

319 B. The certificate of good standing shall state that the corporation is in good standing in ~~this the~~
 320 Commonwealth and shall set forth:

321 1. The domestic corporation's corporate name or the foreign corporation's corporate name ~~used and, if~~
 322 *applicable, the designated name adopted for use in this the* Commonwealth;

323 2. That (i) the domestic corporation is duly incorporated under the law of the Commonwealth, the
 324 date of its incorporation, which is the original date of incorporation *or formation* of the domesticated *or*
 325 *converted* corporation if the corporation was domesticated *or converted* from a foreign jurisdiction, and
 326 the period of its duration if less than perpetual, or (ii) the foreign corporation is authorized to transact
 327 business in the Commonwealth; and

328 3. If requested, a list of all certificates relating to articles filed with the Commission that have been
 329 issued by the Commission with respect to such corporation and their respective effective dates.

330 C. A domestic corporation or a foreign corporation authorized to transact business in the
 331 Commonwealth shall be deemed to be in good standing if:

332 1. All fees, fines, penalties, and interest assessed, imposed, charged or to be collected by the
 333 Commission pursuant to this chapter have been paid except for any annual registration fee that is not
 334 due;

335 2. An annual report required by § 13.1-775 has been delivered to and accepted by the Commission;
 336 and

337 3. No certificate of dissolution, certificate of withdrawal, or order of reinstatement prohibiting the
 338 domestic corporation from engaging in business until it changes its corporate name has been issued or
 339 such certificate or prohibition has not become effective or no longer is in effect.

340 D. The certificate may state any other facts of record in the office of the clerk of the Commission
 341 that may be requested by the applicant.

342 E. Subject to any qualification stated in the certificate, a certificate of good standing issued by the
 343 Commission may be relied upon as conclusive evidence that the domestic or foreign corporation is in
 344 good standing in the Commonwealth.

345 **§ 13.1-610. Notices and other communications.**

346 A. For purposes of this chapter, except for notice to or from the Commission:

347 1. A notice shall be in writing except that oral notice of any meeting of the board of directors may
 348 be given if expressly authorized by the articles of incorporation or bylaws.

349 2. Unless otherwise agreed between the sender and the recipient, words in a notice or other
 350 communication under this chapter shall be in the English language. A notice or other communication
 351 may be given by any method of delivery, except that electronic transmissions shall be in accordance
 352 with this section. If the methods of delivery are impracticable, a notice or other communication may be
 353 given by a broad non-exclusionary dissemination to the public, which may include a newspaper of
 354 general circulation in the area where the notice is intended to be given, or by radio, television, or other
 355 form of public communication in the area where the notice is intended to be given or other methods of
 356 distribution that the corporation has previously identified to its shareholders.

357 3. A notice or other communication to a domestic or foreign corporation authorized to transact
 358 business in the Commonwealth may be delivered to the corporation's registered agent at its registered
 359 office or to the secretary at the corporation's principal office shown in its most recent annual report or,
 360 in the case of a foreign corporation that has not yet delivered an annual report, in its application for a
 361 certificate of authority.

362 4. A notice or other communication may be delivered by electronic transmission if consented to by
 363 the recipient or if otherwise authorized by ~~subdivision H~~ *subsection B*.

364 5. Any consent under subdivision 4 may be revoked by the person who consented by written or
 365 electronic notice to the person to whom the consent was delivered. Any such consent is deemed revoked
 366 if (i) the corporation is unable to deliver two consecutive electronic transmissions given by the

367 corporation in accordance with such consent and (ii) such inability becomes known to the secretary or
 368 an assistant secretary of the corporation or to the transfer agent or other person responsible for the
 369 giving of notice or other communications; however, the inadvertent failure to treat such inability as a
 370 revocation shall not invalidate any meeting or other action.

371 6. Unless otherwise agreed between the sender and the recipient, an electronic transmission is
 372 received when:

373 a. It enters an information processing system that the recipient has designated or uses for the purpose
 374 of receiving electronic transmissions or information of the type sent, and from which the recipient is
 375 able to retrieve the electronic transmission; and

376 b. It is in a form capable of being processed by that system.

377 7. Receipt of an electronic acknowledgment from an information processing system described in
 378 subdivision 6 a establishes that an electronic transmission was received. However, such receipt of an
 379 electronic acknowledgment, by itself, does not establish that the content sent corresponds to the content
 380 received.

381 8. An electronic transmission is received under this section even if no individual is aware of its
 382 receipt.

383 9. A notice or other communication, if in a comprehensible form or manner, is effective at the
 384 earliest of the following:

385 a. If in physical form, the earliest of when it is actually received or when it is left at:

386 (1) A shareholder's address shown on the corporation's record of shareholders maintained by the
 387 corporation pursuant to subsection C of § 13.1-770;

388 (2) A director's residence or usual place of business;

389 (3) The corporation's office; or

390 (4) The corporation's registered office when left with the corporation's registered agent;

391 b. If mailed postage prepaid and correctly addressed to a shareholder, upon deposit in the United
 392 States mail;

393 c. If mailed by United States mail postage prepaid and correctly addressed to a recipient other than a
 394 shareholder, the earliest of when it is actually received or: (i) if sent by registered or certified mail
 395 return receipt requested, the date shown on the return receipt, signed by or on behalf of the addressee;
 396 or (ii) five days after it is deposited in the United States mail;

397 d. If an electronic transmission, when it is received as provided in subdivision 7; and

398 e. If oral, when communicated.

399 10. A notice or other communication may be in the form of an electronic transmission that cannot be
 400 directly reproduced in paper form by the recipient through an automated process used in conventional
 401 commercial practice only if (i) the electronic transmission is otherwise retrievable in perceivable form,
 402 and (ii) the sender and the recipient have consented in writing to the use of such form of electronic
 403 transmission.

404 ~~11.~~ B. If this chapter prescribes requirements for notices or other communications in particular
 405 circumstances, those requirements govern. If articles of incorporation or bylaws prescribe requirements
 406 for notices or other communications not inconsistent with this section or other provisions of this chapter,
 407 those requirements govern. The articles of incorporation or bylaws may authorize or require delivery of
 408 notices of meetings of directors by electronic transmission.

409 ~~12.~~ C. Without limiting the manner by which notice otherwise may be given effectively to
 410 shareholders, any notice to shareholders given by a public corporation, under any provision of this
 411 chapter, the articles of incorporation, or the bylaws, shall be effective if given in a manner permitted by
 412 the rules and regulations under the federal Securities Exchange Act of 1934, provided that the
 413 corporation has first received any affirmative written consent or implied consent required under those
 414 rules and regulations.

415 ~~13.~~ D. If any provisions of this chapter are deemed to modify, limit, or supersede the federal General
 416 Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., the provisions of
 417 this chapter shall control to the maximum extent permitted by § 102(a)(2) of that federal act or any
 418 successor provision of that federal act.

419 **§ 13.1-614.1. (Effective July 1, 2020) Definitions.**

420 As used in this article:

421 "Corporate action" means any action taken by or on behalf of the corporation, including any action
 422 taken by the incorporator, the board of directors, a committee, an officer or agent of the corporation, or
 423 the shareholders.

424 "Date of the defective corporate action" means the date, or the approximate date if the exact date is
 425 unknown, the defective corporate action was purported to have been taken.

426 "Defective corporate action" means (i) any corporate action purportedly taken that is, and at the time
 427 such corporate action was purportedly taken would have been, within the power of the corporation, but

428 is void or voidable due to a failure of authorization, or (ii) an over-issuance of shares.

429 "Failure of authorization" means the failure to authorize, approve, or otherwise effect a corporate
430 action in compliance with the provisions of this chapter, the articles of incorporation or bylaws, a
431 corporate resolution, or any plan or agreement to which the corporation is a party, if and to the extent
432 such failure would render such corporate action voidable.

433 "Over-issuance of shares" means the purported issuance of:

434 1. Shares of a class or series in excess of the number of shares of the class or series the corporation
435 had the power to issue under § 13.1-638 at the time of such issuance; or

436 2. Shares of any class or series that was not then authorized for issuance by the articles of
437 incorporation.

438 "Putative shares" means the shares of any class or series of the corporation, including shares issued
439 upon exercise of rights, options, warrants, or other securities convertible into shares of the corporation,
440 or interests with respect to such shares, that were created or issued as a result of a defective corporate
441 action, that (i) but for any failure of authorization would constitute valid shares or (ii) cannot be
442 determined by the board of directors to be valid shares.

443 "Valid shares" means the shares of any class or series of the corporation that have been duly
444 authorized and validly issued in accordance with this chapter, including as a result of ratification or
445 validation under this article.

446 "Validation effective time" with respect to any defective corporate action ratified under this article
447 means the later of:

448 1. The time at which the ratification of the defective corporate action is approved by the shareholders
449 or, if approval of shareholders is not required, the time at which the notice required by § 13.1-614.5
450 becomes effective in accordance with § 13.1-610; and

451 2. The time at which any document filed in accordance with § 13.1-614.7 becomes effective.

452 The validation effective time shall not be affected by the filing or pendency of a proceeding under
453 § 13.1-614.8 or otherwise, unless ordered by the ~~court~~ *Commission*.

454 **§ 13.1-614.7. (Effective July 1, 2020) Filings.**

455 A. ~~If the~~ *After a defective corporate action is ratified under this article would have for a document*
456 *required under any other section of by this chapter a filing with to be filed with the Commission, the*
457 *corporation shall deliver to the Commission in accordance with this chapter, then, regardless of whether*
458 *a for filing:*

459 1. *If a filing with the Commission was previously made in with respect of to such defective corporate*
460 *action and in lieu of a filing otherwise required by this chapter, the corporation shall make the required*
461 *filing or, as appropriate, an amended filing in accordance with this section, and such filing shall the*
462 *Commission issued with respect thereto a certificate, the articles of ratification, which may serve to*
463 *amend or substitute for any other the filing previously made; or*

464 2. *If no filing with the Commission was previously made with respect to such defective corporate*
465 *action, the articles required by the this chapter.*

466 B. The ~~filed~~ *document required under subsection A shall set forth:*

467 1. The defective corporate action that is the subject of the ~~filed~~ *document, including, in the case of*
468 *any defective corporate action involving the issuance of putative shares, the number and type of putative*
469 *shares issued and the date or dates upon which such putative shares were purported to have been issued;*

470 2. The date of the defective corporate action;

471 3. The nature of the failure of authorization in respect of the defective corporate action;

472 4. A statement that the defective corporate action was ratified in accordance with § 13.1-614.3,
473 including the date on which the board of directors ratified such defective corporate action and the date,
474 if any, on which the shareholders approved the ratification of such defective corporate action; and

475 5. The information required by subsection C.

476 C. The ~~filed~~ *document required under subsection A shall also contain the following information:*

477 1. If a filing with the Commission was previously made in respect of the defective corporate action
478 and no changes to such filing are required to give effect to the ratification of such defective corporate
479 action in accordance with § 13.1-614.3, the ~~filed~~ *document shall set forth (i) the name, title and filing*
480 *date of the filing previously made and any articles of correction to that filing and (ii) a statement that a*
481 *copy of the filing previously made, together with any articles of correction to that filing, is attached as*
482 *an exhibit;*

483 2. If a filing *with the Commission* was previously made in respect of the defective corporate action
484 and such filing requires any change to give effect to the ratification of such defective corporate action in
485 accordance with § 13.1-614.3, the ~~filed~~ *document shall set forth (i) the name, title, and filing date of the*
486 *filing previously made and any articles of correction to that filing and, (ii) a statement that a filing*
487 *containing all of the information required to be included under the applicable section or sections of the*
488 *this chapter to give effect to such defective corporate action is attached as an exhibit, and (iii) the date*
489 *and time that such filing the document is deemed to have become effective; or*

490 3. If a filing *with the Commission* was not previously made in respect of the defective corporate
 491 action and the defective corporate action ratified under § 13.1-614.3 would have required a filing under
 492 any other section of ~~the~~ *this* chapter, the ~~filed~~ document shall set forth (i) a ~~statement that a filing~~
 493 ~~containing~~ all of the information required to be included under the applicable section or sections of the
 494 *this* chapter to give effect to such defective corporate action is ~~attached as an exhibit~~ and (ii) the date
 495 and time that ~~such filing the document~~ is deemed to have become effective.

496 D. If the Commission finds that the ~~filed~~ document *required under subsection A* complies with the
 497 requirements of law and that all required fees have been paid, it shall issue a certificate of ratification of
 498 defective corporate action *or the certificate required by this chapter for the articles that were filed.*

499 **§ 13.1-615.1. (Effective July 1, 2020) Charter and entrance fees for corporations.**

500 A. Every domestic corporation, upon the granting of its charter or upon its incorporation by
 501 domestication or conversion, shall pay a charter fee into the state treasury, and every foreign
 502 corporation, when it obtains from the State Corporation Commission a certificate of authority to transact
 503 business in the Commonwealth, shall pay an entrance fee into the state treasury. The fee in each case is
 504 to be ascertained and fixed as follows:

505 For any domestic or foreign corporation whose number of authorized shares is 1,000,000 or fewer
 506 shares: \$50 for each 25,000 shares or fraction thereof;

507 For any domestic or foreign corporation whose number of authorized shares is more than 1,000,000
 508 shares: \$2,500.

509 B. For any foreign corporation that files articles of domestication and that had authority to transact
 510 business in the Commonwealth at the time of such filing, the charter fee to be charged upon
 511 domestication shall be an amount equal to the difference between the amount that would be required by
 512 this section and the amount already paid as an entrance fee by such corporation.

513 C. For any foreign corporation that files an application for a certificate of authority to transact
 514 business in the Commonwealth and that had previously surrendered its articles of incorporation as a
 515 domestic corporation, the entrance fee to be charged upon obtaining a certificate of authority to transact
 516 business in the Commonwealth shall be an amount equal to the difference between the amount that
 517 would be required by this section and the amount already paid as a charter fee by such corporation.

518 D. Whenever by articles of amendment ~~or~~, articles of merger, *articles of correction, or articles of*
 519 *ratification*, the number of authorized shares of any domestic or foreign corporation or of the surviving
 520 corporation is increased, the charter or entrance fee to be charged shall be an amount equal to the
 521 difference between the amount already paid as a charter or entrance fee by such corporation and the
 522 amount that would be required by this section to be paid if the increased number of authorized shares
 523 were being stated at that time in the original articles of incorporation.

524 E. For any domestic limited liability company that files articles of conversion to become a domestic
 525 corporation and that had previously converted from a domestic corporation, the charter fee to be charged
 526 upon conversion shall be an amount equal to the difference between the amount that would be required
 527 by this section and the amount already paid as a charter fee by the domestic limited liability company
 528 when it was a domestic corporation.

529 F. For any domestic nonstock corporation that files articles of restatement to become a domestic
 530 corporation, the charter fee to be charged shall be an amount equal to the difference between the amount
 531 already paid as a charter fee by the domestic nonstock corporation upon its incorporation and the
 532 amount that would be required by this section to be paid in accordance with the number of authorized
 533 shares in the corporation's amended and restated articles of incorporation.

534 G. If no charter or entrance fee has been heretofore paid to the Commonwealth, the amount to be
 535 paid shall be the same as would have to be paid on original incorporation or application for authority to
 536 transact business.

537 **§ 13.1-616. (Effective July 1, 2020) Fees for filing documents or issuing certificates.**

538 The Commission shall charge and collect the following fees, except as provided in § 12.1-21.2:

539 1. For filing of articles of conversion to convert a corporation to an eligible entity, the fee shall be
 540 \$100.

541 2. For filing any one of the following, the fee shall be \$25:

542 a. Articles of incorporation or domestication.

543 b. Articles of conversion to convert an eligible entity to a corporation.

544 c. Articles of amendment or restatement.

545 d. Articles of merger or share exchange.

546 e. Articles of correction.

547 f. *Articles of ratification.*

548 g. An application of a foreign corporation for a certificate of authority to transact business in the
 549 Commonwealth.

550 ~~g.~~ h. An application of a foreign corporation for an amended certificate of authority to transact

551 business in the Commonwealth.

552 ~~h.~~ *i.* A copy of an amendment of the articles of incorporation of a foreign corporation holding a
553 certificate of authority to transact business in the Commonwealth.

554 ~~i.~~ *j.* A copy of articles of merger of a foreign corporation holding a certificate of authority to transact
555 business in the Commonwealth.

556 ~~j.~~ *k.* A copy of an instrument of conversion of a foreign corporation holding a certificate of authority
557 to transact business in the Commonwealth.

558 ~~k.~~ *l.* An application to register or to renew the registration of a corporate name.

559 3. For filing any one of the following, the fee shall be \$10:

560 a. An application to reserve or to renew the reservation of a corporate name.

561 b. A notice of transfer of a reserved corporate name.

562 c. An application for use of an indistinguishable name.

563 d. Articles of dissolution.

564 e. Articles of revocation of dissolution.

565 f. Articles of termination of corporate existence.

566 g. An application for a certificate of withdrawal of a foreign corporation.

567 h. A notice of release of a registered name.

568 4. For issuing a certificate pursuant to § 13.1-781, the fee shall be \$6.

569 **§ 13.1-619. Articles of incorporation.**

570 A. The articles of incorporation shall set forth:

571 1. A corporate name for the corporation that satisfies the requirements of § 13.1-630;

572 2. The number of shares the corporation is authorized to issue;

573 3. If more than one class or series of shares is authorized, the number of authorized shares of each
574 class or series and a distinguishing designation for each class or series; ~~and~~

575 4. The address of the corporation's initial registered office (including both (i) the post-office address
576 with street and number, if any, and (ii) the name of the city or county in which it is located), and the
577 name of its initial registered agent at that office, and that the agent is either (i) an individual who is a
578 resident of Virginia and either a director of the corporation or a member of the Virginia State Bar or (ii)
579 a domestic or foreign stock or nonstock corporation, limited liability company, or registered limited
580 liability partnership authorized to transact business in the Commonwealth; *and*

581 5. *Any provision that is required by law to be set forth in the articles of incorporation.*

582 B. The articles of incorporation may set forth:

583 1. The names and addresses of the individuals who are to serve as the initial directors;

584 2. Any provision defining or denying the preemptive right of shareholders to acquire unissued shares
585 of the corporation;

586 3. Provisions not inconsistent with law regarding:

587 a. The purpose or purposes for which the corporation is organized;

588 b. The management of the business and regulation of the affairs of the corporation;

589 c. Defining, limiting, and regulating the powers of the corporation, its board of directors, and
590 shareholders;

591 d. A par value for authorized shares or classes or series of shares; or

592 e. Imposing interest holder liability on shareholders;

593 4. Any provision that under this chapter is required or permitted to be set forth in the bylaws; and

594 5. A provision limiting or eliminating any duty of a director or any other person to offer the
595 corporation the right to have or participate in any, or one or more classes or categories of, business
596 opportunities, before the pursuit or taking of the opportunity by the director or other person, provided
597 that any application of such a provision to an officer or a related person of that officer (i) also requires
598 approval of that application by the board of directors, subsequent to the effective date of the provision,
599 by action of disinterested directors taken in compliance with the same procedures as are set forth in
600 § 13.1-691, and (ii) may be limited by the approving action of the board of directors.

601 C. The articles of incorporation need not set forth any of the corporate powers enumerated in this
602 chapter.

603 D. Provisions of the articles of incorporation may be made dependent upon facts objectively
604 ascertainable outside the articles of incorporation in accordance with subsection L of § 13.1-604.

605 **§ 13.1-624. Bylaws.**

606 A. The incorporators or board of directors of a corporation shall adopt initial bylaws for the
607 corporation.

608 B. The bylaws of a corporation may contain any provision that is not inconsistent with law or the
609 articles of incorporation.

610 C. The bylaws may contain one or more of the following provisions:

611 1. A requirement that if the corporation solicits proxies or consents with respect to an election of
612 directors, the corporation include in its proxy statement and any form of its proxy or consent, to the

613 extent and subject to such procedures or conditions as are provided in the bylaws, one or more
 614 individuals nominated by a shareholder in addition to individuals nominated by the board of directors;
 615 and

616 2. A requirement that any or all internal corporate claims shall be brought exclusively in a circuit
 617 court or a federal district court in the Commonwealth and, if so specified, in any additional courts in the
 618 Commonwealth or in any other jurisdictions with in which the corporation maintains its principal office.
 619 As used in this subdivision, "internal corporate claims" means (i) any derivative action or proceeding
 620 brought on behalf of the corporation; (ii) any action for breach of duty to the corporation or the
 621 corporation's shareholders by any current or former officer, director, or shareholder of the corporation;
 622 (iii) any action asserting a claim arising pursuant to this chapter or the corporation's articles of
 623 incorporation or bylaws; or (iv) any action asserting a claim governed by the internal affairs doctrine
 624 that is not included in clause (i), (ii), or (iii). Notwithstanding any other provision of this chapter to the
 625 contrary, to the extent any provision of this chapter allows or requires an action or proceeding to be
 626 brought in the circuit court of the county or city where the corporation's principal office or registered
 627 office is located or in any other specified court location, such action or proceeding shall instead be
 628 brought in a court in the Commonwealth specified in a bylaw, if any, authorized by this subdivision and
 629 adopted prior to the commencement of such action or proceeding.

630 D. A provision of the bylaws adopted under subdivision C 2 shall not have the effect of conferring
 631 jurisdiction on any court or over any person or claim, and shall not apply if none of the courts specified
 632 by such provision has the requisite personal and subject matter jurisdiction. If the court or courts
 633 specified in a provision adopted under subdivision C 2 do not have the requisite personal and subject
 634 matter jurisdiction and another court of the Commonwealth does have such jurisdiction, then the internal
 635 corporate claim may be brought in such other court of the Commonwealth, notwithstanding that such
 636 other court of the Commonwealth is not specified in such provision, and in any other court specified in
 637 such provision that has the requisite jurisdiction. No provision of the articles of incorporation or the
 638 bylaws may prohibit bringing an internal corporate claim in the courts of the Commonwealth or require
 639 any such claim to be determined by arbitration.

640 E. Notwithstanding subdivision B 2 of § 13.1-714, the shareholders in amending, repealing, or
 641 adopting a bylaw described in subdivision C 1 may not limit the authority of the board of directors to
 642 amend or repeal any condition or procedure set forth in, or to add any procedure or condition to, such a
 643 bylaw to provide for a reasonable, practicable, and orderly process.

644 **§ 13.1-630. Corporate name.**

645 A. A corporate name shall contain the word "corporation," "incorporated," "company," or "limited,"
 646 or the abbreviation "corp.," "inc.," "co.," or "ltd." Such words and their corresponding abbreviations may
 647 be used interchangeably for all purposes.

648 B. A corporate name shall not contain:

649 1. Any language stating or implying that the corporation will conduct any of the special kinds of
 650 businesses listed in § 13.1-620 unless it proposes in fact to engage in such special kind of business;

651 2. The word "redevelopment" unless the corporation is organized as an urban redevelopment
 652 corporation pursuant to Chapter 190 of the 1946 Acts of Assembly, as amended;

653 3. Any word, abbreviation, or combination of characters that states or implies the corporation is a
 654 limited liability company ~~or~~, a limited partnership, *or a protected series of a series limited liability*
 655 *company*; or

656 4. Any word or phrase that is prohibited by law for such corporation.

657 C. Except as authorized by subsection D, a corporate name shall be distinguishable upon the records
 658 of the Commission from:

659 1. The name of any corporation, whether issuing shares or not issuing shares, existing under the laws
 660 of the Commonwealth or authorized to transact business in the Commonwealth;

661 2. A corporate name reserved or registered under § 13.1-631, 13.1-632, 13.1-830 or 13.1-831;

662 3. The designated name adopted by a foreign corporation, whether issuing shares or not issuing
 663 shares, because its real name is unavailable for use in the Commonwealth;

664 4. The name of a domestic limited liability company or a foreign limited liability company registered
 665 to transact business in the Commonwealth;

666 5. A limited liability company name reserved under § 13.1-1013;

667 6. The designated name adopted by a foreign limited liability company because its real name is
 668 unavailable for use in the Commonwealth;

669 7. The name of a domestic business trust or a foreign business trust registered to transact business in
 670 the Commonwealth;

671 8. A business trust name reserved under § 13.1-1215;

672 9. The designated name adopted by a foreign business trust because its real name is unavailable for
 673 use in the Commonwealth;

674 10. The name of a domestic limited partnership or a foreign limited partnership registered to transact
675 business in the Commonwealth;

676 11. A limited partnership name reserved under § 50-73.3; and

677 12. The designated name adopted by a foreign limited partnership because its real name is
678 unavailable for use in the Commonwealth.

679 D. A domestic corporation may apply to the Commission for authorization to use a name that is not
680 distinguishable upon the Commission's records from one or more of the names described in subsection
681 C. The Commission shall authorize use of the name applied for if the other entity consents to the use in
682 writing and submits an undertaking in a form satisfactory to the Commission to change its name to a
683 name that is distinguishable upon the records of the Commission from the name of the applying
684 corporation.

685 E. The use of assumed names or fictitious names, as provided for in Chapter 5 (§ 59.1-69 et seq.) of
686 Title 59.1, is not affected by this chapter.

687 F. The Commission, in determining whether a corporate name is distinguishable upon its records
688 from the name of any of the business entities listed in subsection C, shall not consider any word, phrase,
689 abbreviation, or designation required or permitted under this section and § 13.1-544.1, subsection A of
690 § 13.1-1012, § 13.1-1104, subsection A of § 50-73.2, and subdivision A 2 of § 50-73.78 to be contained
691 in the name of a business entity formed or organized under the laws of the Commonwealth or
692 authorized or registered to transact business in the Commonwealth.

693 **§ 13.1-636. Resignation of registered agent.**

694 A. A registered agent may resign as agent for the corporation by signing and filing with the
695 Commission a statement of resignation stating (i) the name of the corporation, (ii) the name of the
696 agent, and (iii) that the agent resigns from serving as registered agent for the corporation. The statement
697 of resignation shall be accompanied by a certification that the registered agent will have a copy of the
698 statement mailed to the principal office of the corporation by certified mail on or before the business
699 day following the day on which the statement is filed. ~~The~~ *When the* statement of resignation ~~may~~
700 ~~include a statement that takes effect~~, the registered office is also discontinued.

701 B. A statement of resignation takes effect on the earlier of (i) 12:01 a.m. on the thirty-first day after
702 the date on which the statement was filed with the Commission or (ii) the date on which a statement of
703 change in accordance with § 13.1-635 is filed with the Commission.

704 **§ 13.1-652. Corporation's acquisition of its own shares.**

705 A. A corporation may acquire its own shares, and shares so acquired constitute authorized but
706 unissued shares of the same class, if any, but undesignated as to series.

707 B. If the articles of incorporation prohibit the reissuance of acquired shares or if the board of
708 directors has authorized the reduction in the number of authorized shares by the number of shares
709 acquired, the number of authorized shares shall be reduced by the number of shares acquired effective
710 when the certificate of amendment is effective. The corporation shall deliver to the Commission for
711 filing articles of amendment that shall set forth:

712 1. The name of the corporation;

713 2. The reduction in the number of authorized shares, itemized by class and series;

714 3. The total number of authorized shares, itemized by class and series, remaining after reduction of
715 the shares; and

716 4. A statement that the reduction in the number of authorized shares was required by the articles of
717 incorporation or was adopted by the board of directors *without shareholder approval pursuant to this*
718 *section*, with the date of adoption.

719 C. The articles of amendment may be adopted by the board of directors without shareholder action.

720 D. If the Commission finds that the articles of amendment comply with the requirements of law and
721 that all required fees have been paid, it shall issue a certificate of amendment.

722 **§ 13.1-657. Action without meeting.**

723 A. Action required or permitted by this chapter to be taken at a shareholders' meeting may be taken
724 without a meeting if the action is taken by all the shareholders entitled to vote on the action, in which
725 case no action by the board of directors shall be required. The action shall be evidenced by one or more
726 written consents bearing the date of signature and describing the action taken, signed by all the
727 shareholders entitled to vote on the action and delivered to the corporation's secretary for filing by the
728 corporation with the minutes of the meeting or corporate records.

729 B. The articles of incorporation may authorize action by shareholders by less than unanimous written
730 consent, provided that the taking of such action is consistent with any requirements that may be set forth
731 in the articles of incorporation, the bylaws, or this section; however, unless the articles of incorporation
732 of a public corporation authorized action by shareholders by less than unanimous written consent as of
733 April 1, 2018, the shareholders of the public corporation shall not be entitled to act by less than
734 unanimous written consent even if so authorized by the articles of incorporation if the articles of
735 incorporation or bylaws of such public corporation allow the holders of 30 percent or fewer of all votes

736 entitled to be cast to demand the calling of a special meeting of shareholders. For action by shareholders
737 by less than unanimous written consent to be valid:

738 1. It shall be an action that this chapter requires or permits to be taken at a shareholders' meeting;

739 2. The articles of incorporation shall authorize action by shareholders by less than unanimous written
740 consent and, if a public corporation at the time of such authorization in addition to the other limitations
741 in this subsection B, the inclusion of the authorization in the articles of incorporation was approved by
742 each voting group entitled to vote by the greater of:

743 a. The vote of that voting group required by the articles of incorporation to amend the articles of
744 incorporation; ~~and~~ or

745 b. More than two-thirds of all votes that the voting group is entitled to cast on the amendment;

746 3. At least 10 days before the holders of more than 10 percent of the outstanding shares of any
747 voting group entitled to vote on the action to be taken have signed the written consent, the corporation's
748 secretary shall have received a copy of the form of written consent setting forth the action to be taken;

749 4. If required by this chapter, the articles of incorporation, or the bylaws, the board of directors shall
750 have approved this action; and

751 5. The holders of not less than the minimum number of outstanding shares of each voting group
752 entitled to vote on the action that would be required to take the action at a shareholders' meeting at
753 which all shares of each voting group entitled to vote on the action were present and voted shall have
754 signed written consents setting forth the action to be taken.

755 C. A written consent shall bear the date on which each shareholder signed the consent and be
756 delivered to the corporation's secretary for inclusion in the minutes or filing with the corporate records.

757 D. If not otherwise fixed under § 13.1-656 or 13.1-660 and if prior action by the board of directors
758 is not required respecting the action to be taken without a meeting, the record date for determining the
759 shareholders entitled to take action without a meeting shall be the first date on which a signed written
760 consent is delivered to the corporation's secretary. If not otherwise fixed under § 13.1-656 or 13.1-660
761 and if prior action by the board of directors is required respecting the action to be taken without a
762 meeting, the record date shall be the close of business on the day the action of the board is taken. No
763 written consent shall be effective to take the action referred to in such consent unless, within 60 days of
764 the earliest date on which a consent delivered to the corporation's secretary as required by this section
765 was signed, written consents signed by the holders of shares having sufficient votes to take the corporate
766 action have been delivered to the corporation's secretary. A written consent may be revoked by a writing
767 to that effect delivered to the corporation's secretary before unrevoked written consents sufficient in
768 number to take the corporate action are delivered to the corporation.

769 E. A consent signed pursuant to the provisions of this section has the effect of a vote taken at a
770 meeting and may be described as such in any document. Unless the articles of incorporation, bylaws, or
771 a resolution of the board of directors provides for a reasonable delay to permit tabulation of written
772 consents, the action taken by written consent shall be effective when (i) written consents signed by the
773 holders of shares having sufficient votes to adopt or take the action are delivered to the corporation's
774 secretary or (ii) if an effective date is specified therein, as of such date provided such consent states the
775 date of execution by the consenting shareholder.

776 F. For purposes of this section, a written consent and the signing thereof may be accomplished by
777 one or more electronic transmissions.

778 G. Any person, whether or not then a shareholder, may provide that a consent in writing as a
779 shareholder shall be effective at a future time, including the time when an event occurs, but such future
780 time shall not be more than 60 days after such provision is made. Any such consent shall be deemed to
781 have been made for purposes of this section at the future time so specified for the consent to be
782 effective, provided that (i) the person is a shareholder at such future time and (ii) the person did not
783 revoke the consent prior to such future time. Any such consent may be revoked, in the manner provided
784 in subsection D, prior to its becoming effective.

785 H. If this chapter requires that notice of a proposed action be given to nonvoting shareholders and
786 the action is to be taken by written consent of the voting shareholders, the corporation shall give its
787 nonvoting shareholders written notice of the action not more than 10 days after (i) written consents
788 sufficient to take the action have been delivered to the corporation's secretary, or (ii) such later date that
789 tabulation of consents is completed pursuant to an authorization under subsection E. The notice shall
790 reasonably describe the action taken and contain or be accompanied by the same material that, under
791 any provision of this chapter, would have been required to be sent to nonvoting shareholders in a notice
792 of a meeting at which the proposed action would have been submitted to the shareholders for action.

793 I. If action is taken by less than unanimous written consent of the voting shareholders, the
794 corporation shall give its nonconsenting voting shareholders written notice of the action not more than
795 10 days after (i) written consents sufficient to take the action have been delivered to the corporation's
796 secretary or (ii) such later date that tabulation of consents is completed pursuant to an authorization

797 under subsection E. The notice shall reasonably describe the action taken and contain or be accompanied
798 by the same material, that under any provision of this chapter, would have been required to be sent to
799 voting shareholders in a notice of a meeting at which the action would have been submitted to the
800 shareholders for action.

801 J. The notice requirements in subsections H and I shall not delay the effectiveness of actions taken
802 by written consent, and a failure to comply with such notice requirements shall not invalidate actions
803 taken by written consent, provided that this subsection shall not be deemed to limit judicial power to
804 fashion any appropriate remedy in favor of a shareholder adversely affected by a failure to give such
805 notice within the required time period.

806 **§ 13.1-679. Resignation of directors.**

807 A. A director may resign at any time by delivering a written notice of resignation to the board of
808 directors or its chairman, or to the secretary of the corporation.

809 B. A resignation is effective as provided in subdivision A 9 of § 13.1-610 unless the resignation
810 provides for a delayed effectiveness including effectiveness determined upon a future event or events. If
811 a resignation provides for a delayed effectiveness, the board of directors may fill the pending vacancy
812 before the effectiveness of the resignation if the board of directors provides that the successor does not
813 take office until the effectiveness of the resignation. A resignation that is conditioned upon failing to
814 receive a specified vote for election as a director may provide that it is irrevocable.

815 C. Any person whose name is of record in the office of the clerk of the Commission as a director of
816 a corporation, and who has resigned or whose name is incorrectly of record, may file a statement to that
817 effect with the Commission.

818 D. Upon the resignation of a director, the corporation may file an amended annual report with the
819 Commission indicating the resignation of the director and the successor in office, if any.

820 **§ 13.1-692.1. Limitation on liability of officers and directors; exception.**

821 A. In any proceeding brought by or in the right of a corporation or brought by or on behalf of
822 shareholders of the corporation, the damages assessed against an officer or director arising out of a
823 single transaction, occurrence or course of conduct shall not exceed the lesser of:

824 1. The monetary amount, including the elimination of liability, specified in the articles of
825 incorporation or, if approved by the shareholders, in the bylaws as a limitation on or elimination of the
826 liability of the officer or director; or

827 2. The greater of (i) \$100,000 or (ii) the amount of cash compensation received by the officer or
828 director from the corporation during the 12 months immediately preceding the act or omission for which
829 liability was imposed.

830 B. The liability of an officer or director shall not be limited as provided in this section if the officer
831 or director engaged in willful misconduct or a knowing violation of the criminal law or of any federal
832 or state securities law, including, without limitation, any claim of unlawful insider trading or
833 manipulation of the market for any security.

834 C. *No limitation or elimination of liability adopted pursuant to this section may be affected by any*
835 *amendment of the articles of incorporation or bylaws with respect to any action or omission occurring*
836 *before such amendment.*

837 **§ 13.1-695. Resignation and removal of officers.**

838 A. An officer may resign at any time by delivering a written notice to the board of directors, its
839 chairman, the appointing officer, if any, or the corporation's secretary. A resignation is effective as
840 provided in subdivision A 9 of § 13.1-610 unless the notice provides for a delayed effectiveness. If
841 effectiveness of a resignation is stated to be delayed and the board of directors or the appointing officer,
842 if any, accepts the delay, the board of directors or the appointing officer, if any, may fill the pending
843 vacancy before the delayed effectiveness but the new officer may not take office until the vacancy
844 occurs.

845 B. An officer may be removed at any time with or without cause by (i) the board of directors; (ii)
846 the appointing officer, if any, unless the bylaws or the board of directors provides otherwise; or (iii) any
847 other officer, if authorized by the bylaws or the board of directors. An officer's removal does not affect
848 such officer's contract rights, if any, with the corporation. An officer's resignation does not affect the
849 corporation's contract rights, if any, with the officer.

850 C. Any person who has resigned as an officer of a corporation, or whose name is of record in the
851 office of the clerk of the Commission as an officer of a corporation, may file a statement to that effect
852 with the Commission.

853 D. Upon the resignation or removal of an officer, the corporation may file an amended annual report
854 with the Commission indicating the resignation or removal of the officer and the successor in office, if
855 any.

856 E. As used in this section "appointing officer" means the officer, including any successor to that
857 officer, who, in accordance with subsection B of § 13.1-693, appointed the officer who is resigning or
858 being removed.

859 § 13.1-712.1. (Effective July 1, 2020) Abandonment of amendment or restatement of articles of
860 incorporation.

861 A. After an amendment or restatement of the articles of incorporation has been adopted and approved
862 as required by this article, and at any time before the certificate of amendment or restatement has
863 become effective, the amendment or restatement of the articles of incorporation may be abandoned by
864 the corporation without action by its shareholders in the manner determined by the board of directors.

865 B. If articles of amendment or restatement of the articles of incorporation are abandoned after they
866 have been filed with the Commission but before the certificate of amendment or restatement of the
867 articles of incorporation has become effective, a statement of abandonment shall be signed by the
868 corporation and delivered to the Commission for filing prior to the effective time and date of the
869 certificate of amendment or restatement of the articles of incorporation. If the Commission finds that the
870 statement of abandonment complies with the requirements of law, it shall issue a certificate of
871 abandonment, effective as of the date and time the statement of abandonment was received by the
872 Commission, and the amendment or restatement of the articles of incorporation shall be deemed
873 abandoned and shall not become effective.

874 C. The statement of abandonment shall contain:

875 1. The name of the corporation;

876 2. The date on which the articles of amendment or restatement of the articles of incorporation were
877 filed with the Commission;

878 3. The date and time on which the Commission's certificate of ~~abandonment~~ *amendment* or
879 restatement becomes effective; and

880 4. A statement that the amendment or restatement of the articles of incorporation is being abandoned
881 in accordance with this section.

882 § 13.1-716. Merger.

883 A. One or more domestic corporations may merge with one or more domestic or foreign corporations
884 or eligible entities pursuant to a plan of merger, ~~or two~~. *Two* or more foreign corporations or domestic
885 or foreign eligible entities may merge, resulting in a survivor that is a domestic corporation created in
886 the merger. When a domestic corporation is the survivor of a merger with a domestic nonstock
887 corporation, it may become, pursuant to subdivision C 6, a domestic nonstock corporation, provided that
888 the only parties to the merger are domestic corporations and domestic nonstock corporations.

889 B. A foreign corporation or a foreign eligible entity may be a party to a merger with a domestic
890 corporation, or may be created as the survivor of a merger in which a domestic corporation is a party,
891 but only if the merger is permitted by the organic law of the foreign corporation or eligible entity.

892 C. The plan of merger shall include:

893 1. As to each party to the merger, its name, jurisdiction of formation, and type of entity;

894 2. The survivor's name, jurisdiction of formation, and type of entity and, if the survivor is to be
895 created in the merger, a statement to that effect;

896 3. The terms and conditions of the merger;

897 4. The manner and basis of converting the shares of each merging domestic or foreign corporation
898 and eligible interests of each merging domestic or foreign eligible entity into shares or other securities,
899 eligible interests, obligations, rights to acquire shares, other securities or eligible interests, cash, or other
900 property or any combination of the foregoing;

901 5. The manner and basis of converting any rights to acquire the shares of each merging domestic or
902 foreign corporation and eligible interests of each merging domestic or foreign eligible entity into shares
903 or other securities, eligible interests, obligations, rights to acquire shares, other securities or eligible
904 interests, cash, or other property or any combination of the foregoing;

905 6. Any amendment of the articles of incorporation of the survivor that is a domestic corporation or if
906 the articles of incorporation are amended and restated, as an attachment to the plan, the survivor's
907 restated articles of incorporation, or if a new domestic corporation is to be created by the merger, as an
908 attachment to the plan, the survivor's articles of incorporation; and

909 7. Any other provisions required by the laws under which any party to the merger is organized or by
910 which it is governed, or by the articles of incorporation or organic rules of any such party.

911 D. In addition to the requirements of subsection C, a plan of merger may contain any other provision
912 not prohibited by law.

913 E. Terms of a plan of merger may be made dependent on facts objectively ascertainable outside the
914 plan in accordance with subsection L of § 13.1-604.

915 F. Unless the plan of merger provides otherwise, the plan of merger may be amended prior to the
916 effective date of the certificate of merger, but if the shareholders of a domestic corporation that is a
917 party to the merger are required by any provision of this chapter to vote on the plan, the plan may not
918 be amended subsequent to approval of the plan by such shareholders to change any of the following,
919 unless the amendment is subject to the approval of the shareholders:

920 1. The amount or kind of shares or other securities, eligible interests, obligations, rights to acquire
921 shares, other securities or eligible interests, cash or other property to be received under the plan by the
922 shareholders of or owners of eligible interests in any party to the merger;

923 2. The articles of incorporation of any domestic corporation that will be the survivor of the merger,
924 except for changes permitted by § 13.1-706; or

925 3. Any of the other terms or conditions of the plan if the change would adversely affect such
926 shareholders in any material respect.

927 G. One or more domestic corporations may merge pursuant to this section into another domestic
928 corporation if the articles of incorporation of each of them could lawfully contain all the corporate
929 powers and purposes of all of them.

930 H. Any corporation authorized by its articles of incorporation to engage in a special kind of business
931 enumerated in § 13.1-620 may be merged with another corporation authorized by its articles of
932 incorporation to engage in the same special kind of business, including mergers authorized under §
933 6.2-1146, whether or not either or both of such corporations are actually engaged in the transaction of
934 such business, and the shareholders of the corporations parties to the merger may receive shares of a
935 corporation not authorized by its articles of incorporation to engage in such special kind of business.

936 **§ 13.1-718. Action on a plan of merger or share exchange.**

937 A. Subject to the provisions of subdivision F 4, in the case of a domestic corporation that is (i) a
938 party to a merger, (ii) an acquired entity in a share exchange, or (iii) the acquiring entity in a share
939 exchange:

940 1. The plan of merger or share exchange shall first be adopted by the board of directors.

941 2. Except as provided in subsections F and G and in §§ 13.1-719 and 13.1-719.1, after adopting the
942 plan of merger or share exchange the board of directors shall submit the plan to the shareholders for
943 their approval. The board of directors shall also transmit to the shareholders a recommendation that the
944 shareholders approve the plan or, in the case of an offer referred to in subsection G, that the
945 shareholders tender their shares to the offeror in response to the offer, unless the board of directors
946 makes a determination that because of conflicts of interest or other special circumstances it should not
947 make such a recommendation, in which case the board of directors shall inform the shareholders of the
948 basis for that determination.

949 B. The board of directors may set conditions for the approval of the plan of merger or share
950 exchange by the shareholders or the effectiveness of the plan of merger or share exchange.

951 C. If the plan of merger or share exchange is required to be approved by the shareholders, and if the
952 approval is to be given at a meeting, the corporation shall notify each shareholder, whether or not
953 entitled to vote, of the meeting of shareholders at which the plan is to be submitted for approval. The
954 notice shall state that the purpose, or one of the purposes, of the meeting is to consider the plan and
955 shall contain or be accompanied by a copy or summary of the plan. If the corporation is to be merged
956 into an existing domestic or foreign corporation or eligible entity and its shareholders are to receive
957 shares or other eligible interests or the right to receive shares or other eligible interests in the survivor,
958 the notice shall also include or be accompanied by a copy or summary of the articles of incorporation
959 and bylaws or organic rules of the survivor. If the corporation is to be merged into a domestic or
960 foreign corporation or eligible entity and a new domestic or foreign corporation or eligible entity is to
961 be created pursuant to the merger, the notice shall include or be accompanied by a copy or a summary
962 of the articles of incorporation and bylaws or organic rules of the new corporation or eligible entity.

963 D. Unless the articles of incorporation, or the board of directors acting pursuant to subsection B,
964 require a greater vote, approval of the plan of merger or share exchange requires the approval of each
965 voting group entitled to vote on the plan by more than two-thirds of all the votes entitled to be cast by
966 that voting group. The articles of incorporation may provide for a greater or lesser vote than that
967 provided for in this subsection or a vote by separate voting groups so long as the vote provided for is
968 not less than a majority of all the votes cast on the plan by each voting group entitled to vote on the
969 plan of merger or share exchange at a meeting at which a quorum of the voting group exists.

970 E. Separate voting by voting groups is required:

971 1. Except as otherwise provided in the articles of incorporation, on a plan of merger by each class or
972 series of shares that:

973 a. Is to be converted under the plan of merger into shares, other securities, eligible interests,
974 obligations, rights to acquire shares, other securities or eligible interests, cash, other property, or any
975 combination of the foregoing, or is proposed to be eliminated without being converted into any of the
976 foregoing; or

977 b. Would be entitled to vote as a separate group on a provision in the plan that, if contained in a
978 proposed amendment to articles of incorporation, would require action by separate voting groups under
979 § 13.1-708;

980 2. Except as otherwise provided in the articles of incorporation, on a plan of share exchange, by each
981 class or series of shares included in the exchange, with each class or series constituting a separate voting

982 group;

983 3. On a plan of merger, if the voting group is entitled under the articles of incorporation to vote as a

984 voting group to approve a plan of merger; and

985 4. On a plan of share exchange, if the voting group is entitled under the articles of incorporation to

986 vote as a voting group to approve a plan of share exchange.

987 F. Unless the articles of incorporation otherwise provide, approval by the corporation's shareholders

988 of a plan of merger or share exchange is not required if:

989 1. The corporation will survive the merger or is the acquiring corporation in a share exchange;

990 2. Except for amendments permitted by § 13.1-706, its articles of incorporation will not be changed;

991 3. Each shareholder of the corporation whose shares were outstanding immediately before the

992 effective time of the merger or share exchange will hold the same number of shares, with identical

993 preferences, limitations, and rights immediately after the effective time of the merger or share exchange;

994 and

995 4. With respect to shares of the surviving corporation in a merger or the shares of the acquiring

996 entity in a share exchange entity that are entitled to vote unconditionally in the election of directors, the

997 number of shares outstanding immediately after the merger or share exchange, plus the number of shares

998 issuable as a result of the merger or share exchange, either by the conversion of securities issued

999 pursuant to the merger or share exchange or the exercise of options, rights, and warrants issued pursuant

1000 to the merger or share exchange, will not exceed by more than 20 percent the total number of shares of

1001 the surviving corporation outstanding immediately before the merger or share exchange.

1002 G. Unless the articles of incorporation otherwise provide, approval by the corporation's shareholders

1003 of a plan of merger or share exchange is not required if:

1004 1. The plan of merger or share exchange expressly (i) permits or requires such a merger or share

1005 exchange to be effected under this subsection and (ii) provides that such merger or share exchange be

1006 effected as soon as practicable following the consummation of the offer referred to in subdivision 3 if

1007 such merger or share exchange is effected under this subsection;

1008 2. Another party to the merger, the acquiring entity in the share exchange, or a parent of another

1009 party to the merger or the acquiring entity in the share exchange, makes an offer to purchase, on the

1010 terms provided in the plan of merger or share exchange, any and all of the outstanding shares of the

1011 corporation that, absent this subsection, would be entitled to vote on the plan of merger or share

1012 exchange, except that the offer may exclude shares of the corporation that are owned at the

1013 commencement of the offer by the corporation, the offeror, or any parent of the offeror, or by any

1014 wholly owned subsidiary of any of the foregoing;

1015 3. The offer discloses that the plan of merger or share exchange provides that the merger or share

1016 exchange will be effected as soon as practicable following the satisfaction of the requirement set forth in

1017 subdivision 7 and that the shares of the corporation that are not tendered in response to the offer will be

1018 treated as set forth in subdivision 8;

1019 4. The offer remains open for at least 10 business days;

1020 5. The offeror purchases all shares properly tendered in response to the offer and not properly

1021 withdrawn;

1022 6. The shares listed below are collectively entitled to cast at least the minimum number of votes on

1023 the merger or share exchange that, absent this subsection, would be required by this chapter and by the

1024 articles of incorporation for the approval of the merger or share exchange by the shareholders and by

1025 any other voting group entitled to vote on the merger or share exchange at a meeting at which all shares

1026 entitled to vote on the approval were present and voted:

1027 a. Shares purchased by the offeror in accordance with the offer;

1028 b. Shares otherwise owned by the offeror or by any parent of the offeror or any wholly owned

1029 subsidiary of any of the foregoing; and

1030 c. Shares subject to an agreement that they are to be transferred, contributed, or delivered to the

1031 offeror, any parent of the offeror, or any wholly owned subsidiary of any of the foregoing in exchange

1032 for shares or eligible interests in such offeror, parent, or subsidiary;

1033 7. The offeror or a wholly owned subsidiary of the offeror merges with or into, or effects a share

1034 exchange in which it acquires shares of, the corporation; and

1035 8. Each outstanding share of each class or series of shares of the corporation that the offeror is

1036 offering to purchase in accordance with the offer, and that is not purchased in accordance with the offer,

1037 is to be converted in the merger into, or into the right to receive, or is to be exchanged in the share

1038 exchange for, or for the right to receive, the same amount and kind of securities, eligible interests,

1039 obligations, rights, cash, or other property to be paid or exchanged in accordance with the offer for each

1040 share of that class or series of shares that is tendered in response to the offer, except that shares of the

1041 corporation that are owned by the corporation or that are described in subdivision G 6 a or c need not

1042 be converted into or exchanged for the consideration described in this subdivision.

1043 9. H. As used in this subsection G:

1044 "Offer" means the offer referred to in subdivision 3.

1045 "Offeror" means the person making the offer.

1046 "Parent" of any entity means a person that owns, directly or indirectly, through one or more wholly
1047 owned subsidiaries, all of the outstanding shares or eligible interests in that entity.

1048 "Wholly owned subsidiary" of a person means an entity of or in which that person owns, directly or
1049 indirectly, through one or more wholly owned subsidiaries, all of the outstanding shares or eligible
1050 interests.

1051 H. I. If a corporation has not yet issued shares and its articles of incorporation do not otherwise
1052 provide, its board of directors may adopt and approve a plan of merger or share exchange on behalf of
1053 the corporation without shareholder action.

1054 I. J. If as a result of a merger or share exchange one or more shareholders of a domestic corporation
1055 would become subject to new interest holder liability, approval of the plan of merger or share exchange
1056 requires the signing in connection with the transaction, by each such shareholder, of a separate written
1057 consent to become subject to such new interest holder liability, unless in the case of a shareholder that
1058 already has interest holder liability with respect to such domestic corporation, (i) the new interest holder
1059 liability is with respect to a domestic or foreign corporation, which may be a different or the same
1060 domestic corporation in which the person is a shareholder, and (ii) the terms and conditions of the new
1061 interest holder liability are substantially identical to those of the existing interest holder liability, other
1062 than for changes that eliminate or reduce such interest holder liability.

1063 J. K. Shares tendered in response to an offer shall be deemed, for purposes of this section, to have
1064 been purchased in accordance with the offer at the earliest time as of which the offeror has irrevocably
1065 accepted those shares for payment and either (i) in the case of shares represented by certificates, the
1066 offeror, or the offeror's designated depository or other agent, has physically received the certificates
1067 representing those shares or (ii) in the case of shares without certificates, those shares have been
1068 transferred into the account of the offeror or its designated depository or other agent, or an agent's
1069 message relating to those shares has been received by the offeror or its designated depository or other
1070 agent.

1071 **§ 13.1-719. Merger between parent and subsidiary or between subsidiaries.**

1072 A. As used in this section:

1073 "Parent entity" means a domestic or foreign corporation or eligible entity that owns shares of a
1074 domestic corporation that possess at least 90 percent of the voting power of each class and series of the
1075 outstanding shares of the domestic corporation that have voting power.

1076 "Subsidiary" means the domestic corporation whose outstanding shares are owned by a parent entity.

1077 B. A parent entity may merge (i) a subsidiary into itself or another subsidiary or (ii) itself into a
1078 subsidiary without the approval of the board of directors or the shareholders of any subsidiary and, if
1079 the parent entity is a domestic corporation, without the approval of the shareholders of the parent entity,
1080 unless the articles of incorporation of any subsidiary or the articles of incorporation or the organic rules
1081 of the parent entity otherwise provide.

1082 C. A parent entity may be a foreign corporation or eligible entity only if the merger is permitted
1083 under the laws by which the foreign corporation or eligible entity is organized.

1084 D. The parent entity shall, within 10 days after the effective date of the merger, notify each of the
1085 subsidiary's shareholders that the merger has become effective.

1086 E. Except as provided in subsections B and C, a merger under this section shall be governed by the
1087 provisions of this article applicable to mergers generally, including subsection J of § 13.1-718.

1088 F. The articles of incorporation of the survivor shall not be altered or amended by a merger pursuant
1089 to this section, except for amendments permitted by § 13.1-706.

1090 G. Two or more domestic corporations may be merged into a parent entity pursuant to this section.

1091 **§ 13.1-721. Effect of merger or share exchange.**

1092 A. When a merger becomes effective:

1093 1. The domestic or foreign corporation or eligible entity that is designated in the plan of merger as
1094 the survivor continues or comes into existence as the case may be;

1095 2. The separate existence of every domestic or foreign corporation or eligible entity that is merged
1096 into the survivor ceases;

1097 3. All property owned by, and every contract right possessed by, each domestic or foreign
1098 corporation or eligible entity that merges into the survivor is vested in the survivor without transfer,
1099 reversion or impairment;

1100 4. All debts, obligations, and liabilities of each domestic or foreign corporation or eligible entity that
1101 is merged into the survivor are debts, obligations, or liabilities of the survivor;

1102 5. The name of the survivor may, but need not be, substituted in any pending proceeding for the
1103 name of any party to the merger whose separate existence ceased in the merger;

1104 6. If the survivor is a domestic corporation, the articles of incorporation and bylaws of the survivor

1105 are amended to the extent provided in the plan of merger;

1106 7. The articles of incorporation and bylaws of a survivor that is a domestic corporation created by

1107 the merger become effective;

1108 8. The shares of each domestic or foreign corporation that is a party to the merger, and the eligible

1109 interests in a domestic or foreign eligible entity that is a party to the merger, that are to be converted

1110 under the plan of merger into shares, other securities, eligible interests, obligations, rights to acquire

1111 shares, other securities, or eligible interests, cash, other property or any combination of the foregoing,

1112 are converted, and the former holders of such shares or eligible interests are entitled only to the rights

1113 provided to them in the plan of merger or to any rights they may have under Article 15 (§ 13.1-729 et

1114 seq.) or the organic law governing the foreign corporation or domestic or foreign eligible entity;

1115 9. Except as provided by law or the plan of merger, all the rights, privileges, franchises, and

1116 immunities of each entity that was a party to the merger, other than the survivor, are the rights,

1117 privileges, franchises, and immunities of the survivor; and

1118 10. If the survivor existed before the merger:

1119 a. All the property and contract rights of the survivor remain its property and contract rights without

1120 transfer, reversion, or impairment;

1121 b. The survivor remains subject to all its debts, obligations, and other liabilities; and

1122 c. Except as provided by law or the plan of merger, the survivor continues to hold all of its rights,

1123 privileges, franchises, and immunities.

1124 B. When a share exchange becomes effective, the shares or eligible interests in the acquired entity

1125 that are to be exchanged for shares and other securities, eligible interests, obligations, rights to acquire

1126 shares, other securities, eligible interests, cash, other property, or any combination of the foregoing, are

1127 entitled only to the rights provided to them in the plan of share exchange or to any rights they may

1128 have under Article 15 (§ 13.1-729 et seq.) or under the organic law governing the acquired entity.

1129 C. Except as otherwise provided in the articles of incorporation of a domestic corporation or the

1130 organic law governing or organic rules of a foreign corporation or a domestic or foreign eligible entity,

1131 the effect of a merger or share exchange on interest holder liability is as follows:

1132 1. A person who becomes subject to a new interest holder liability in respect of an entity as a result

1133 of a merger or share exchange shall have that new interest holder liability only in respect of interest

1134 holder liabilities that arise after the merger or share exchange becomes effective.

1135 2. If a person had interest holder liability with respect to a party to the merger or the acquired entity

1136 before the merger or share exchange becomes effective with respect to shares or eligible interests of

1137 such party or acquired entity that were (i) exchanged in the merger or share exchange, (ii) were canceled

1138 in the merger, or (iii) the terms and conditions of which relating to interest holder liability were

1139 amended pursuant to the merger:

1140 a. The merger or share exchange does not discharge that prior interest holder liability with respect to

1141 any interest holder liabilities that arose before the merger or share exchange becomes effective.

1142 b. The provisions of the organic law governing any entity for which the person had that prior interest

1143 holder liability shall continue to apply to the collection or discharge of any interest holder liabilities

1144 preserved by subdivision C 2 a, as if the merger or share exchange had not occurred.

1145 c. The person shall have such rights of contribution from other persons as are provided by the

1146 organic law governing the entity for which the person had that prior interest holder liability with respect

1147 to any interest holder liabilities preserved by subdivision C 2 a, as if the merger or share exchange had

1148 not occurred.

1149 d. The person shall not, by reason of such prior interest holder liability, have interest holder liability

1150 with respect to any interest holder liabilities that arise after the merger or share exchange becomes

1151 effective.

1152 3. If a person has interest holder liability both before and after a merger becomes effective with

1153 unchanged terms and conditions with respect to the entity that is the survivor by reason of owning the

1154 same shares or eligible interests before and after the merger becomes effective, the merger has no effect

1155 on such interest holder liability.

1156 4. A share exchange has no effect on interest holder liability related to shares or eligible interests of

1157 the acquired entity that were not exchanged in the share exchange.

1158 D. Upon a merger becoming effective, a foreign corporation or a foreign eligible entity that is the

1159 survivor of the merger is deemed to:

1160 1. Appoint the clerk of the Commission as its agent for service of process in a *any* proceeding (i) to

1161 enforce the rights of shareholders of each domestic corporation that was a party to the merger who

1162 exercise appraisal rights or (ii) based on a cause of action against a nonsurviving domestic corporation

1163 arising during the time it was in existence under the laws of the Commonwealth, which service of

1164 process shall be made on the clerk in accordance with § 12.1-19.1; and

1165 2. Agree that it will promptly pay the amount, if any, to which such shareholders are entitled under

1166 Article 15 (§ 13.1-729 et seq.).

1167 E. No corporation that is required by law to be a domestic corporation, may, by merger, cease to be
1168 a domestic corporation, but every such corporation, even though a corporation of some other state, the
1169 United States or another country, shall also be a domestic corporation of the Commonwealth.

1170 F. Except as provided in the organic law governing a party to a merger or in its articles of
1171 incorporation or organic rules, the merger does not give rise to any rights that a third party would have
1172 upon a dissolution, liquidation, or winding up of that party. The merger does not require a party to the
1173 merger to wind up the affairs of that party and does not constitute or cause its dissolution, termination,
1174 or cancellation.

1175 G. A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation,
1176 subscription, or conveyance that is made to an entity that is a party to a merger that is not the survivor
1177 and that takes effect or remains payable after the merger inures to the survivor.

1178 H. A trust obligation that would govern property if transferred to a nonsurviving entity applies to
1179 property that is transferred to the survivor after a merger becomes effective.

1180 **§ 13.1-721.1. (Effective July 1, 2020) Abandonment of a merger or share exchange.**

1181 A. Unless otherwise provided in a plan of merger or share exchange or in the laws under which a
1182 foreign corporation or a domestic or foreign eligible entity that is a party to a merger or a share
1183 exchange is organized or by which it is governed, after a plan of merger or share exchange has been
1184 adopted and approved as required by this article, and at any time before the certificate of merger or
1185 share exchange has become effective, the plan may be abandoned by a domestic corporation that is a
1186 party thereto without action by shareholders in accordance with any procedures set forth in the plan of
1187 merger or share exchange or, if no such procedures are set forth in the plan, in the manner determined
1188 by the board of directors, subject to any contractual rights of other parties to the plan of merger or share
1189 exchange.

1190 B. If a merger or share exchange is abandoned after the articles of merger or share exchange have
1191 been filed with the Commission but before the certificate of merger or share exchange has become
1192 effective, in order for the certificate of merger or share exchange to be ~~canceled~~ *abandoned*, all parties
1193 to the plan of merger or share exchange shall sign a ~~request for a certificate of cancellation~~ *statement of*
1194 *abandonment* and deliver it ~~with~~ *to* the Commission for filing prior to the effective time and date of the
1195 certificate of merger or share exchange. If the Commission finds that the statement of abandonment
1196 complies with the requirements of law, it shall issue a certificate of abandonment, effective as of the
1197 date and time the statement of abandonment was received by the Commission, and the merger or share
1198 exchange shall be deemed abandoned and shall not become effective.

1199 C. The statement of ~~cancellation~~ *abandonment* shall contain:

- 1200 1. The name of the corporation;
- 1201 2. The date on which the articles of merger or share exchange were filed with the Commission;
- 1202 3. The date and time on which the Commission's certificate of merger or share exchange becomes
1203 effective; and
- 1204 4. A statement that the merger or share exchange is being abandoned in accordance with this section.

1205 **§ 13.1-722.5. (Effective July 1, 2020) Articles of domestication; effectiveness.**

1206 A. After (i) a plan of domestication of a domestic corporation has been adopted and approved as
1207 required by this chapter or (ii) a foreign corporation that is the domesticating corporation has approved a
1208 domestication as required under its organic law, articles of domestication shall be signed in the name of
1209 the domesticating corporation. The articles shall set forth:

- 1210 1. The name of the domesticating corporation and its jurisdiction of formation;
- 1211 2. The original name, date of formation, jurisdiction of formation, *and entity type* of the
1212 domesticating corporation and its name, jurisdiction of formation, and entity type upon each subsequent
1213 domestication or conversion;
- 1214 3. The plan of domestication;
- 1215 4. If the domesticating corporation is a domestic corporation:
 - 1216 a. The date the plan of domestication was approved;
 - 1217 b. A statement that the plan of domestication was approved *by the unanimous consent of the*
1218 *shareholders, or that the plan was submitted by the board of directors to the shareholders* in accordance
1219 *with this chapter and was duly approved by the shareholders in the manner required by this chapter*
1220 *and by the articles of incorporation;*
 - 1221 c. A statement that the corporation revokes the authority of its registered agent to accept service on
1222 its behalf and appoints the clerk of the Commission as an agent for service of process in any proceeding
1223 based on a cause of action arising during the time it was incorporated in the Commonwealth;
 - 1224 d. A mailing address to which the clerk may mail a copy of any process served on the clerk under
1225 subdivision c; and
 - 1226 e. A commitment by the corporation to notify the clerk of the Commission in the future of any
1227 change in the mailing address of the corporation; and

1228 5. If the domesticating corporation is a foreign corporation, a statement that the domestication is
1229 permitted by and was approved in accordance with the organic law of the foreign corporation.

1230 B. The articles of domestication shall be delivered to the Commission for filing. If the Commission
1231 finds that the articles of domestication comply with the requirements of law and that all required fees
1232 have been paid, it shall issue a certificate of domestication.

1233 ~~C. If the domesticating corporation is a foreign corporation that has a certificate of authority to~~
1234 ~~transact business in the Commonwealth under Article 17 (§ 13.1-757 et seq.), its certificate of authority~~
1235 ~~shall be deemed withdrawn automatically when the domestication becomes effective.~~

1236 **§ 13.1-722.7:1. (Effective July 1, 2020) Effect of domestication.**

1237 A. When a domestication of a foreign corporation into a domestic corporation becomes effective:

1238 1. All property owned by, and every contract right possessed by, the domesticating corporation are
1239 the property and contract rights of the domesticated corporation without transfer, reversion, or
1240 impairment;

1241 2. All debts, obligations, and other liabilities of the domesticating corporation are the debts,
1242 obligations, and other liabilities of the domesticated corporation;

1243 3. The name of the domesticated corporation may, but need not, be substituted for the name of the
1244 domesticating corporation in any pending proceeding;

1245 4. The articles of incorporation and bylaws of the domesticated corporation become effective;

1246 5. The shares of the domesticating corporation are reclassified into shares or other securities,
1247 obligations, rights to acquire shares or other securities, cash, or other property in accordance with the
1248 terms of the domestication, and the shareholders of the domesticating corporation are entitled only to the
1249 rights provided to them by those terms and to any appraisal rights they may have under the organic law
1250 of the domesticating corporation; ~~and~~

1251 6. The domesticated corporation is:

1252 a. Incorporated under and subject to the organic law of the domesticated corporation;

1253 b. The same corporation without interruption as the domesticating corporation; and

1254 c. Deemed to have been incorporated on the date the domesticating corporation was originally
1255 incorporated; *and*

1256 7. *If the foreign corporation has a certificate of authority to transact business in the Commonwealth,*
1257 *its certificate of authority is deemed withdrawn.*

1258 B. When a domestication of a domestic corporation into a foreign jurisdiction becomes effective, the
1259 domesticated corporation is deemed to:

1260 1. Appoint the clerk of the Commission as an agent for service of process in a proceeding (i) to
1261 enforce the rights of shareholders who exercise appraisal rights in connection with the domestication *or*
1262 *(ii) based on a cause of action against the domesticating domestic corporation arising during the time it*
1263 *was in existence under the laws of the Commonwealth, which service of process shall be made on the*
1264 *clerk in accordance with § 12.1-19.1; and*

1265 2. Agree that it will promptly pay the amount, if any, to which such shareholders are entitled under
1266 Article 15 (§ 13.1-729 et seq.).

1267 C. Except as otherwise provided in the organic law or organic rules of a domesticating foreign
1268 corporation, the interest holder liability of a shareholder in a foreign corporation that is domesticated
1269 into the Commonwealth who had interest holder liability in respect of such domesticating corporation
1270 before the domestication becomes effective shall be as follows:

1271 1. The domestication does not discharge that prior interest holder liability with respect to any interest
1272 holder liabilities that arose before the domestication becomes effective.

1273 2. The provisions of the organic law of the domesticating corporation shall continue to apply to the
1274 collection or discharge of any interest holder liabilities preserved by subdivision 1, as if the
1275 domestication had not occurred.

1276 3. The shareholder shall have such rights of contribution from other persons as are provided by the
1277 organic law of the domesticating corporation with respect to any interest holder liabilities preserved by
1278 subdivision 1, as if the domestication had not occurred.

1279 4. The shareholder shall not, by reason of such prior interest holder liability, have interest holder
1280 liability with respect to any interest holder liabilities preserved that arise after the domestication becomes
1281 effective.

1282 D. A shareholder who becomes subject to interest holder liability in respect of the domesticated
1283 corporation as a result of the domestication shall have such interest holder liability only in respect of
1284 interest holder liabilities that arise after the domestication becomes effective.

1285 E. A domestication does not constitute or cause the dissolution of the domesticating corporation.

1286 F. Property held for charitable purposes under the laws of the Commonwealth by a domestic or
1287 foreign corporation immediately before a domestication shall not, as a result of the transaction, be
1288 diverted from the objects for which it was donated, granted, devised, or otherwise transferred except and

1289 to the extent permitted by or pursuant to the laws of the Commonwealth addressing cy pres or dealing
1290 with nondiversion of charitable assets.

1291 G. A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation,
1292 subscription, or conveyance which is made to the domesticating corporation and which takes effect or
1293 remains payable after the domestication inures to the domesticated corporation.

1294 H. A trust obligation that would govern property if transferred to the domesticating corporation
1295 applies to property that is transferred to the domesticated corporation after the domestication takes effect.

1296 **§ 13.1-722.9. (Effective July 1, 2020) Conversion.**

1297 A. By complying with this article, a domestic corporation may become (i) a domestic eligible entity
1298 or (ii) a foreign eligible entity if the conversion is permitted by the organic law of the foreign entity.

1299 B. By complying with this article and applicable provisions of its organic law, a domestic eligible
1300 entity may become a domestic corporation. If procedures for the approval of a conversion are not
1301 provided by the organic law or organic rules of a domestic eligible entity, the conversion shall be
1302 adopted and approved in the same manner as a merger of that eligible entity. If the organic law or
1303 organic rules of a domestic eligible entity do not provide procedures for the approval of either a
1304 conversion or a merger, a plan of conversion may nonetheless be adopted and approved by the
1305 unanimous consent of all the interest holders of such eligible entity. In either such case, the conversion
1306 thereafter may be effected as provided in the other provisions of this article, and for purposes of
1307 applying this article in such a case:

1308 1. The eligible entity, its members or interest holders, eligible interests, and organic rules taken
1309 together, shall be deemed to be a domestic corporation, shareholders, shares, and articles of
1310 incorporation, respectively and vice versa, as the context may require; and

1311 2. If the business and affairs of the eligible entity are managed by a person or persons that are not
1312 identical to the members or interest holders, that person or persons shall be deemed to be the board of
1313 directors.

1314 C. By complying with the provisions of this article applicable to foreign entities, a foreign eligible
1315 entity may become a domestic corporation if the organic law of the foreign eligible entity permits it to
1316 become a corporation in another jurisdiction and it has complied with said law in effecting the
1317 conversion.

1318 D. *Unless Notwithstanding the provisions of subsection B, unless* otherwise provided for in Chapter
1319 2.2 (§ 50-73.79 et seq.) of Title 50, a domestic partnership that has filed either a statement of
1320 partnership authority or a statement of registration as a registered limited liability partnership with the
1321 Commission that is not canceled may become a domestic corporation pursuant to a plan of conversion
1322 that is approved by the domestic partnership in accordance with the provisions of this article.

1323 **§ 13.1-722.10. (Effective July 1, 2020) Plan of conversion.**

1324 A. A domestic corporation may convert to a domestic or foreign eligible entity under this article by
1325 approving a plan of conversion. The plan of conversion shall include:

1326 1. The name of the converting corporation;

1327 2. The name, jurisdiction of formation, and type of entity of the converted entity;

1328 3. The manner and basis of converting the shares and any rights to acquire shares of the domestic
1329 corporation into eligible interests or other securities, obligations, rights to acquire eligible interests or
1330 other securities, cash, other property, or any combination of the foregoing;

1331 4. If the converted entity will be a domestic corporation, (i) the proposed articles of incorporation of
1332 the converted entity that satisfy the requirements of § 13.1-619 and (ii) the proposed bylaws of the
1333 converted entity, which shall not be included with the articles of conversion delivered to the
1334 Commission for filing;

1335 5. If the converted entity will be a domestic eligible entity and a filing entity, the full text, as it will
1336 be in effect immediately after the conversion becomes effective, of the organic rules of the converted
1337 entity, provided that the private organic rules shall not be included with the articles of conversion
1338 delivered to the Commission for filing; ~~and~~

1339 6. *If the converted entity will be a foreign corporation or eligible entity, the plan of conversion may*
1340 *include the organic rules of the converted entity, provided that the organic rules shall not be included*
1341 *with the articles of conversion delivered to the Commission for filing; and*

1342 7. The other terms and conditions of the conversion.

1343 B. In addition to the requirements of subsection A, a plan of conversion may contain any other
1344 provision not prohibited by law.

1345 C. The terms of a plan of conversion may be made dependent upon facts objectively ascertainable
1346 outside the plan in accordance with subsection L of § 13.1-604.

1347 **§ 13.1-722.11. (Effective July 1, 2020) Action on plan of conversion.**

1348 A. In the case of a conversion of a domestic corporation to a domestic or foreign eligible entity, the
1349 plan of conversion shall be adopted in the following manner:

1350 1. The plan of conversion shall first be adopted by the board of directors.

1351 2. After adopting the plan of conversion, the board of directors shall submit the plan to the
 1352 shareholders for their approval. In submitting the plan of conversion to the shareholders for their
 1353 approval, the board of directors shall recommend that the shareholders approve the plan unless the board
 1354 of directors makes a determination that because of conflicts of interest or other special circumstances it
 1355 should not make such a recommendation, in which case the board of directors shall inform the
 1356 shareholders of the basis for that determination.

1357 3. The board of directors may set conditions for approval of the plan of conversion by the
 1358 shareholders or the effectiveness of the plan of conversion.

1359 4. If the approval of the shareholders is to be sought at a shareholders meeting, the corporation shall
 1360 notify each shareholder, regardless of whether entitled to vote, of the meeting of shareholders at which
 1361 the plan of conversion is to be submitted for approval. The notice shall state that the purpose, or one of
 1362 the purposes, of the meeting is to consider the plan of conversion and shall contain or be accompanied
 1363 by a copy or summary of the plan. The notice must include or be accompanied by a copy of the organic
 1364 rules of the converted entity, which are to be in writing as they will be in effect immediately after the
 1365 conversion.

1366 5. Unless the articles of incorporation or the board of directors acting pursuant to subdivision 3,
 1367 requires a greater vote, approval of the plan of conversion requires (i) the approval of the shareholders
 1368 at a meeting at which a quorum exists consisting of more than two thirds of the votes entitled to be cast
 1369 on the plan and (ii) the approval of each class or series of shares voting as a separate voting group at a
 1370 meeting at which a quorum of the voting group exists consisting of more than two thirds of the votes
 1371 entitled to be cast on the plan by that voting group. The articles of incorporation may provide for a
 1372 greater or lesser vote than that provided in this subsection or a vote by separate voting groups so long
 1373 as the vote provided for is not less than a majority of all votes cast on the plan by each voting group
 1374 entitled to vote on the plan at a meeting at which a quorum of the voting group exists.

1375 *B. In the case of a conversion of a domestic eligible entity to a domestic corporation, the plan of*
 1376 *conversion shall be adopted in accordance with subsection B of § 13.1-722.9.*

1377 C. If as a result of the conversion one or more shareholders of the converting domestic corporation
 1378 would become subject to interest holder liability, approval of the plan of conversion shall require the
 1379 signing in connection with the transaction, by each such shareholder, of a separate written consent to
 1380 become subject to such interest holder liability.

1381 **§ 13.1-722.12. (Effective July 1, 2020) Articles of conversion; effectiveness.**

1382 A. After (i) a plan of conversion of a domestic corporation has been adopted and approved as
 1383 required by this article or (ii) a domestic or foreign eligible entity that is the converting entity has
 1384 approved a conversion as required under its organic law, articles of conversion shall be signed in the
 1385 name of the converting entity. The articles of conversion shall set forth:

1386 1. The name of the converting entity, its jurisdiction of formation, and entity type;

1387 2. The original name, date of formation, jurisdiction of formation, and entity type of the converted
 1388 entity and its name, jurisdiction of formation, and entity type upon each subsequent domestication or
 1389 conversion;

1390 3. ~~The plan of conversion;~~

1391 4. If the converting entity is a domestic corporation:

1392 a. *The plan of conversion;*

1393 b. The date the plan of conversion was approved;

1394 ~~b. c. A statement that the plan of conversion was approved in accordance with this chapter by the~~
 1395 *unanimous consent of the shareholders, or a statement that the plan was submitted by the board of*
 1396 *directors to the shareholders in accordance with this chapter and was duly approved by the*
 1397 *shareholders in the manner required by this chapter and by the articles of incorporation;*

1398 ~~e. 4. If the converted entity is a foreign eligible entity:~~

1399 a. A statement that the corporation revokes the authority of its registered agent to accept service on
 1400 its behalf and appoints the clerk of the Commission as an agent for service of process in any proceeding
 1401 based on a cause of action arising during the time it was incorporated in the Commonwealth;

1402 ~~d. b. A mailing address to which the clerk may mail a copy of any process served on the clerk under~~
 1403 *subdivision e a; and*

1404 ~~e. c. A commitment by the foreign eligible converting entity to notify the clerk of the Commission in~~
 1405 *the future of any change in the its mailing address of the foreign eligible entity after the conversion*
 1406 *becomes effective.*

1407 5. If the converting entity is a foreign eligible entity and the converted entity is a domestic
 1408 corporation, a statement that the conversion is permitted by and was approved in accordance with the
 1409 organic law of the foreign eligible entity; and

1410 6. If the converting entity is a domestic nonstock corporation, limited partnership, partnership, or
 1411 business trust and the converted entity is a domestic corporation:

- 1412 a. *The plan of conversion;*
 1413 b. The date the plan of conversion was approved; and
 1414 ~~b-~~ c. A statement that the plan of conversion was approved in accordance with this chapter.
 1415 B. The articles of conversion shall be delivered to the Commission for filing. If the Commission
 1416 finds that the articles of conversion comply with the requirements of law and that all required fees have
 1417 been paid, it shall issue a certificate of conversion.
 1418 C. Articles of conversion under this section may be combined with any required conversion filing
 1419 under the organic law of a domestic eligible entity or a foreign eligible entity that is authorized or
 1420 registered to transact business in the Commonwealth that is the converting entity or converted entity if
 1421 the combined filing satisfies the requirements of both this section and the other organic law.
 1422 ~~D. If the converting entity is a foreign eligible entity that is authorized or registered to transact~~
 1423 ~~business in the Commonwealth, its certificate of authority or registration shall be deemed withdrawn on~~
 1424 ~~the effective date of its conversion.~~
 1425 **§ 13.1-722.13. (Effective July 1, 2020) Effect of conversion.**
 1426 A. When a conversion becomes effective:
 1427 1. All property owned by, and every contract right possessed by, the converting entity remains the
 1428 property and contract rights of the converted entity without reversion or impairment;
 1429 2. All debts, obligations, and other liabilities of the converting entity remain the debts, obligations,
 1430 and other liabilities of the converted entity;
 1431 3. The name of the converted entity may, but need not, be substituted for the name of the converting
 1432 entity in any pending action or proceeding;
 1433 4. If the converted entity is a filing entity or a domestic corporation or a domestic or foreign
 1434 nonstock corporation, its public organic record and its private organic rules become effective;
 1435 5. If the converted entity is not a filing entity, its private organic rules become effective;
 1436 6. If the converted entity is a registered limited liability partnership, the filing required to become a
 1437 registered limited liability partnership and its private organic rules become effective;
 1438 7. The shares or eligible interests of the converting entity are reclassified into shares, eligible
 1439 interests, or other securities, obligations, rights to acquire shares, eligible interests or other securities,
 1440 cash, or other property in accordance with the terms of the conversion, and the shareholders or interest
 1441 holders of the converting entity are entitled only to the rights provided to them by those terms and to
 1442 any appraisal rights they may have under the organic law of the converting entity;
 1443 8. The converted entity is:
 1444 a. Incorporated or organized under and subject to the organic law of the converted entity;
 1445 b. The same entity without interruption as the converting entity; and
 1446 c. Deemed to have been incorporated or otherwise organized on the date that the converting entity
 1447 was originally incorporated or organized.
 1448 B. When a conversion of a domestic corporation to a foreign eligible entity becomes effective, the
 1449 converted entity is deemed to:
 1450 1. Appoint the clerk of the Commission as an agent for service of process in a proceeding to (i)
 1451 enforce the rights of shareholders who exercise appraisal rights in connection with the conversion or (ii)
 1452 based on a cause of action against a nonsurviving domestic corporation arising during the time it was
 1453 in existence under the laws of the Commonwealth, which service of process shall be made on the clerk
 1454 in accordance with § 12.1-19.1; and
 1455 2. Agree that it will promptly pay the amount, if any, to which such shareholders are entitled under
 1456 Article 15 (§ 13.1-729 et seq.).
 1457 C. *If the converting entity is a foreign eligible entity that is authorized or registered to transact*
 1458 *business in the Commonwealth, its certificate of authority or registration shall be deemed withdrawn on*
 1459 *the effective date of its conversion.*
 1460 D. Except as otherwise provided in the articles of incorporation of a domestic corporation or the
 1461 organic law or organic rules of a foreign corporation or a domestic or a foreign eligible entity, a
 1462 shareholder or eligible interest holder who becomes subject to interest holder liability in respect of a
 1463 domestic corporation or eligible entity as a result of the conversion shall have such interest holder
 1464 liability only in respect of interest holder liabilities that arise after the conversion becomes effective.
 1465 ~~D.~~ E. Except as otherwise provided in the organic law or the organic rules of the eligible entity, the
 1466 interest holder liability of an interest holder in a converting eligible entity that converts to a domestic
 1467 corporation who had interest holder liability in respect of such converting eligible entity before the
 1468 conversion becomes effective shall be as follows:
 1469 1. The conversion does not discharge that prior interest holder liability with respect to any interest
 1470 holder liabilities that arose before the conversion became effective.
 1471 2. The provisions of the organic law of the eligible entity shall continue to apply to the collection or
 1472 discharge of any interest holder liabilities preserved by subdivision 1, as if the conversion had not
 1473 occurred.

1474 3. The eligible interest holder shall have such rights of contribution from other persons as are
1475 provided by the organic law of the eligible entity with respect to any interest holder liabilities preserved
1476 by subdivision 1, as if the conversion had not occurred.

1477 4. The eligible interest holder shall not, by reason of such prior interest holder liability, have interest
1478 holder liability with respect to any interest holder liabilities that arise after the conversion becomes
1479 effective.

1480 E. F. A conversion does not require the converting entity to wind up its affairs and does not
1481 constitute or cause the dissolution, termination, or cancellation of the entity.

1482 F. G. Property held for charitable purposes under the laws of the Commonwealth by a corporation or
1483 a domestic or foreign eligible entity immediately before a conversion shall not, as a result of the
1484 transaction, be diverted from the objects for which it was donated, granted, devised, or otherwise
1485 transferred except and to the extent permitted by or pursuant to the laws of the Commonwealth
1486 addressing cy pres or dealing with nondiversion of charitable assets.

1487 G. H. A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation,
1488 subscription, or conveyance which is made to the converting entity and which takes effect or remains
1489 payable after the conversion inures to the converted entity.

1490 H. I. A trust obligation that would govern property if transferred to the converting entity applies to
1491 property that is transferred to the converted entity after the conversion takes effect.

1492 **§ 13.1-761. Effect of certificate of authority.**

1493 A. A certificate of authority authorizes the foreign corporation to which it is issued to transact
1494 business in the Commonwealth subject, however, to the right of the Commonwealth to revoke the
1495 certificate as provided in this chapter.

1496 B. A foreign corporation holding a valid certificate of authority shall have no greater rights and
1497 privileges than a domestic corporation. The certificate of authority shall not be deemed to authorize the
1498 foreign corporation to exercise any of its corporate powers or purposes that a foreign corporation is
1499 forbidden by law to exercise in the Commonwealth.

1500 C. This chapter does not authorize the Commonwealth to regulate the organization or internal affairs
1501 of a foreign corporation authorized to transact business in the Commonwealth.

1502 **§ 13.1-764. Change of registered office or registered agent of a foreign corporation.**

1503 A. A foreign corporation authorized to transact business in the Commonwealth may change its
1504 registered office or registered agent, or both, upon filing with the Commission a statement of change on
1505 a form prescribed and furnished by the Commission that sets forth:

- 1506 1. The name of the foreign corporation;
- 1507 2. The address of its current registered office;
- 1508 3. If the current registered office is to be changed, the post office address, including the street and
1509 number, if any, of the new registered office, and the name of the city or county in which it is to be
1510 located;
- 1511 4. The name of its current registered agent;
- 1512 5. If the current registered agent is to be changed, the name of the new registered agent; and
- 1513 6. That after the change or changes are made, the corporation will be in compliance with the
1514 requirements of § 13.1-763.

1515 B. A statement of change shall be filed with the Commission by a foreign corporation if its
1516 registered agent dies, resigns, or ceases to satisfy the requirements of § 13.1-763.

1517 C. A foreign corporation's registered agent may sign a statement as required above if (i) the business
1518 address of the registered agent changes to another post office address within the Commonwealth ~~or~~, (ii)
1519 *the name of the county or city in which the registered office is located changes or is incorrect on the*
1520 *Commission's records, or (iii) the name of the registered agent has been legally changed. A foreign*
1521 *corporation's new registered agent may sign and submit for filing a statement as required above if (a)*
1522 *the former registered agent is a business entity that has been merged into the new registered agent, (b)*
1523 *the instrument of merger is on record with the Commission, and (c) the new registered agent is an entity*
1524 *that is qualified to serve as a registered agent pursuant to § 13.1-763. In either instance, the registered*
1525 *agent or surviving entity shall forthwith file a statement as required above, which shall recite that a copy*
1526 *of the statement shall be mailed to the principal office of the foreign corporation on or before the*
1527 *business day following the day on which the statement is filed with the Commission.*

1528 **§ 13.1-766.1. Merger of foreign corporation authorized to transact business in Commonwealth.**

1529 A. Whenever a foreign corporation authorized to transact business in the Commonwealth is a party to
1530 a merger permitted by the laws of its jurisdiction of formation, and such foreign corporation is the
1531 surviving entity of the merger, it shall, within 30 days after such merger becomes effective, file with the
1532 Commission a copy of the instrument of merger duly authenticated by the Secretary of State or other
1533 official having custody of corporate records in its jurisdiction of formation; however, the filing shall not
1534 be required when a foreign corporation merges with a domestic corporation or eligible entity, the foreign

1535 corporation's articles of incorporation are not amended by said merger, and the articles or statement of
1536 merger filed on behalf of the domestic corporation or eligible entity pursuant to § 13.1-720, 13.1-1072,
1537 13.1-1261, 50-73.48:3, or 50-73.131 contains a statement that the participation of the foreign corporation
1538 or eligible entity was duly authorized as required by its organic law.

1539 B. Whenever a foreign corporation authorized to transact business in the Commonwealth is a party to
1540 a merger permitted by the laws of its jurisdiction of formation, and such corporation is not the surviving
1541 entity of the merger or, whenever such a foreign corporation is a party to a consolidation so permitted,
1542 the surviving or resulting foreign corporation or eligible entity, if there is one, shall, if not continuing to
1543 transact business in the Commonwealth, within 30 days after such merger or consolidation becomes
1544 effective, deliver to the Commission a copy of the instrument of merger or consolidation duly
1545 authenticated by the Secretary of State or other official having custody of corporate records in the
1546 foreign corporation's jurisdiction of formation, and comply in behalf of the predecessor corporation with
1547 the provisions of § 13.1-767. However, if the surviving or resulting foreign corporation or eligible entity
1548 is to continue to transact business in the Commonwealth and has not obtained a certificate of authority
1549 or a certificate of registration to transact business in the Commonwealth then, within such 30 days, it
1550 shall deliver to the Commission an application for a certificate of authority or a certificate of registration
1551 to transact business in the Commonwealth, pursuant to and in compliance with § 13.1-759, 13.1-921,
1552 13.1-1052, 13.1-1242, 50-73.54, or 50-73.138, as applicable.

1553 C. Upon the merger or consolidation of a foreign corporation with one or more foreign corporations
1554 or eligible entities, all property in the Commonwealth owned by any of the foreign corporations or
1555 eligible entities shall pass to the surviving or resulting foreign corporation or eligible entity except as
1556 otherwise provided by the laws of its jurisdiction of formation, but only from and after the time when a
1557 duly authenticated copy of the instrument of merger or consolidation is filed with the Commission.

1558 **2. That § 13.1-768.1 of the Code of Virginia is repealed.**