

RCW 23B.09.030 Approval of a plan of entity conversion. In the case of an entity conversion of a domestic corporation to an other entity, the plan of conversion must be approved in the following manner:

(1) The plan of entity conversion must first be approved by the board of directors of the converting entity.

(2) The plan of entity conversion must then be approved by the shareholders of the converting entity. In submitting the plan of entity conversion to the shareholders for approval, the board of directors must recommend that the shareholders approve the plan of entity conversion, unless (a) the board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation; or (b) RCW 23B.08.245 applies. If either (a) or (b) of this subsection applies, the board of directors must inform the shareholders of the basis for its so proceeding.

(3) The board of directors may set conditions for the approval of the plan of entity conversion or the effectiveness of the plan of entity conversion.

(4) If the approval of the shareholders is to be given at a meeting, the converting entity must notify each shareholder, regardless of whether entitled to vote, of the meeting of shareholders at which the plan of entity conversion is to be submitted for approval. The notice must state that consideration of the plan of entity conversion is a purpose of the meeting and must contain or be accompanied by a copy or summary of the plan of entity conversion. The notice must include or be accompanied by a copy of the organic rules of the surviving entity as they will be in effect immediately after the conversion.

(5) Unless the articles of incorporation, or the board of directors acting in accordance with subsection (3) of this section, requires a greater vote, shareholder approval of the plan of entity conversion requires (a) the affirmative vote of shareholders that would be required to approve a plan of merger under RCW 23B.11A.040, and (b) the approval of each other voting group that would be entitled under the circumstances described in RCW 23B.11A.041 or the articles of incorporation to vote separately on a plan of merger.

(6) If as a result of the conversion one or more shareholders of the converting entity would become subject to owner liability, approval of the plan of entity conversion must also require each such shareholder to execute a separate written consent to become subject to such owner liability. [2024 c 22 s 19; 2020 c 57 s 65; 2014 c 83 s 11.]