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DELAWARE STATE SENATE
149th GENERAL ASSEMBLY

SENATE BILL NO. 70

AN ACT TO AMEND CHAPTER 15, TITLE 6 OF THE DELAWARE CODE RELATING TO THE CREATION,
REGULATION, OPERATION AND DISSOLUTION OF DOMESTIC PARTNERSHIPS AND THE REGISTRATION
AND REGULATION OF FOREIGN LIMITED LIABILITY PARTNERSHIPS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 15-108(d), Chapter 15, Title 6 of the Delaware Code by making deletions as shown by strike through
2 and insertions as shown by underline as follows:

3 (d) The name of a partnership shall not contain the word "bank," or any variation thereof, except for the name of a
4 bank reporting to and under the supervision of the State Bank Commissioner of this State or a subsidiary of a bank or savings
5 association (as those terms are defined in the Federal Deposit Insurance Act, as amended, at 12 U.S.C. § 1813), or a partnership
6 regulated under the Bank Holding Company Act of 1956, as amended, 12 U.S.C. § 1841 et seq., or the Home Owners' Loan
7 Act, as amended, 12 U.S.C. § 1461 et seq.; provided, however, that this section shall not be construed to prevent the use of the
8 word "bank," or any variation thereof, in a context clearly not purporting to refer to a banking business or otherwise likely to
9 mislead the public about the nature of the business of the partnership or to lead to a pattern and practice of abuse that might
10 cause harm to the interests of the public or ~~the~~this State as determined by the Division of Corporations in the Department of
11 State.

12 Section 2. Amend § 15-401(l), Chapter 15, Title 6 of the Delaware Code by making deletions as shown by strike
13 through and insertions as shown by underline as follows:

14 (1) A partner has the power and authority to delegate to 1 or more other persons any or all of the partner's
15 rights ~~and~~ powers and duties to manage and control the business and affairs of the partnership, ~~including to delegate. Any~~
16 such delegation may be to agents, officers and employees of the partner or the partnership, and ~~to delegate by a~~
17 management agreement or other agreement with, or otherwise to, other persons. Such delegation by a partner shall be
18 irrevocable if it states that it is irrevocable. Such delegation by a partner shall not cause the partner to cease to be a partner
19 of the partnership or cause the person to whom any such rights ~~and~~ powers and duties have been delegated to be a partner

of the partnership. No other provision of this chapter shall be construed to restrict a partner's power and authority to delegate any or all of its rights, powers and duties to manage and control the business and affairs of the partnership.

Section 3. Amend § 15-901(a), Chapter 15, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(a) As used in this section and in § 15-105 of this title, the term "other entity" means a corporation, a statutory trust, a business trust, an association, a real estate investment trust, a common-law trust or any other incorporated or unincorporated business or entity, including a limited partnership (including a limited liability limited partnership), a foreign partnership or a limited liability company.

Section 4. Amend § 15-902(a), Chapter 15, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(a) As used in this section and in § 15-105 of this title, "other business entity" means a corporation, a statutory trust, a business trust, an association, a real estate investment trust, a common-law trust, ~~or~~ any other incorporated or unincorporated business or entity, including a limited liability company, a limited partnership (including a limited liability limited partnership) and a foreign partnership, but excluding a domestic partnership. As used in this section and in § 15-120 of this title, "plan of merger" means a writing approved by a domestic partnership, in the form of resolutions or otherwise, that states the terms and conditions of a merger under subsection (m) of this section.

Section 5. Amend § 15-903(a), Chapter 15, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(a) Upon compliance with this section, a domestic partnership may convert to a corporation, a statutory trust, a business trust, an association, a real estate investment trust, a common-law trust or any other incorporated or unincorporated business or entity, including a limited partnership (including a limited liability limited partnership), a foreign partnership or a limited liability company. If a domestic partnership is converting under this section to another business form organized, formed or created under the laws of a jurisdiction other than the State of Delaware and has not filed a statement of partnership existence, then the domestic partnership shall file a statement of partnership existence prior to or at the time of the filing of the certificate of conversion to non-Delaware entity.

Section 6. Amend § 15-904(a), Chapter 15, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(a) As used in this section and in § 15-105 of this title, "non-United States entity" means a foreign limited partnership (other than 1 formed under the laws of a state) (including a foreign limited liability limited partnership (other than 1 formed under the laws of a state)), or a corporation, a statutory trust, a business trust, an association, a real estate

investment trust, a common-law trust or any other incorporated or unincorporated business or entity, including a general partnership (including a limited liability partnership) or a limited liability company, formed, incorporated, created or that otherwise came into being under the laws of any foreign country or other foreign jurisdiction (other than any state).

Section 7. Amend § 15-1102(a)(1)(a), Chapter 15, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

(a) The name of the foreign limited liability partnership which satisfies the requirements of the ~~State~~state, territory, possession or other jurisdiction or country under whose law it is formed and ends with the words "Registered Limited Liability Partnership" or "Limited Liability Partnership," the abbreviation "R.L.L.P." or "L.L.P." or the designation "RLLP" or "LLP";

Section 8. This Act shall become effective August 1, 2017.

SYNOPSIS

Sections 1 and 7. These sections amend Sections 15-108(d) and 15-1102(a)(1)(a) of the Act to clarify and confirm the distinction between domestic partnerships and foreign partnerships and to make certain other conforming changes.

Section 2. This section amends Section 15-401(l) of the Act to confirm and clarify the broad power and authority of a partner to delegate any or all of the partner's rights, powers and duties to manage and control the business and affairs of a partnership, including any core governance functions.

Section 3. This section amends Section 15-901(a) of the Act relating to conversions to a partnership to confirm that the term "other entity" includes any incorporated or unincorporated business or entity (other than a domestic partnership).

Section 4. This section amends Section 15-902(a) of the Act relating to mergers and consolidations to confirm that "other business entity" includes any incorporated or unincorporated business or entity (other than a domestic partnership).

Section 5. This section amends Section 15-903(a) of the Act relating to a conversion of a partnership to confirm that a domestic partnership may convert to any incorporated or unincorporated business or entity (other than a domestic partnership).

Section 6. This section amends Section 15-904(a) of the Act relating to the domestication of non-United States entities to confirm that the term "non-United States entity" includes any incorporated or unincorporated non-United States business or entity.

Section 8. This section provides that the proposed amendments of the Act shall become effective August 1, 2017.

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