2018 Regular Session

ACT No. 560

HOUSE BILL NO. 621

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BY REPRESENTATIVE FOIL

1 AN ACT

To amend and reenact R.S. 9:3403 and 3433, R.S. 12:1-202(A)(introductory paragraph) and (B)(1), 1-401(A)(1) through (3)(introductory paragraph), (B)(introductory paragraph), (C)(introductory paragraph) and (1), (D)(introductory paragraph), (F), and (G), 1-1444(E)(2)(b), 203(C), 204(A), (B)(introductory paragraph) and (1), and (F), 303(A)(3) and (B), 304(A)(2), 312.1, 1306(A)(3)(introductory paragraph) and (a) and (4) and (E), and (F), 1308.3(C)(introductory paragraph), 1344, 1345(A)(2), and 1811(A) and (B), R.S. 22:62(introductory paragraph), (1) through (4), (6) through (8), and (10), 232.2(A)(introductory paragraph) and (2) through (4), and (D), 243(B)(introductory paragraph), (4), and (8) and (D) through (F), R.S. 49:222(B)(1)(introductory paragraph), (a), (b), (e), and (f), (2)(introductory paragraph), (4)(c) and (f), (5)(b), (6), and R.S. 51:212 (introductory paragraph) and (5) and 3143(C), to enact R.S. 12:1-401(A)(3)(e) and 1306(A)(5) and R.S. 49:222(B)(14) and to repeal R.S. 3:85(C) and 148, R.S. 22:232.2(A)(5), and R.S. 49:222(5)(f) through (h), relative to corporate filings made to the secretary of state; to provide for the secretary of state's responsibilities with respect to certain filings; to provide relative to business entities' use of certain names; to provide relative to the listing of certain addresses; to provide for the distinguishment of names upon the records of the secretary of state; to provide an increase for certain filing fees; to provide an application and fees for home service contract providers; to provide

1 changes in statutory reference; to provide technical corrections; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 9:3403 and 3433 are hereby amended and reenacted to read as follows:

§3403. Contract of partnership; required content; use of names

A. A contract of partnership filed for registry with the secretary of state shall contain the name and taxpayer identification number of the partnership, the municipal address of its principal place of business in this state, and the name and the municipal address of each partner, including partners in commendam, if any. The failure to include the taxpayer identification number of the partnership shall not invalidate nor cause the secretary of state to reject the contract.

B. If the secretary of state receives for filing a partnership agreement that includes in the partnership name the word "bank", "banker", "banking", "savings", "safe deposit", "trust", "trustee", "building and loan", "homestead", "credit union", or any other word of similar import, the secretary of state shall not file the partnership agreement until the secretary of state receives satisfactory evidence that written notice of the proposed use of that name was delivered to the office of financial institutions at least fourteen days prior to the filing made with the secretary of state.

C. If the secretary of state receives for filing a partnership agreement that includes in the partnership name the word "engineer", "engineering", "surveyor", or "surveying", the secretary of state shall not file the partnership agreement until the secretary of state receives either of the following:

- (1) Satisfactory evidence that written notice of the proposed use of that name was delivered to the Louisiana Professional Engineering and Land Surveying Board at least ten days prior to the filing made with the secretary of state.
- (2) A written waiver of the ten-day notice prescribed in Paragraph (1) of this Subsection, signed by the executive secretary or any officer of the Louisiana Professional Engineering and Land Surveying Board.

| 1 | D. If the secretary of state receives for filing a partnership agreement that |
|----|---|
| 2 | includes in the partnership name the word "architect", "architectural", or |
| 3 | "architecture", the secretary of state shall not file the partnership agreement until the |
| 4 | secretary of state receives either of the following: |
| 5 | (1) Satisfactory evidence that written notice of the proposed use of that name |
| 6 | was delivered to the Louisiana State Board of Architectural Examiners at least ten |
| 7 | days prior to the filing made with the secretary of state. |
| 8 | (2) A written waiver of the ten-day notice prescribed in Paragraph (1) of this |
| 9 | Subsection, signed by the executive director or any member of the Louisiana State |
| 10 | Board of Architectural Examiners. |
| 11 | * * * |
| 12 | §3433. Name of registered limited liability partnership |
| 13 | A. A registered limited liability partnership's name shall contain the words |
| 14 | "registered limited liability partnership" or the abbreviation "L.L.P." as the last |
| 15 | words or letters of its name. |
| 16 | B. If the secretary of state receives for filing a registered limited liability |
| 17 | partnership registration that includes in the partnership name the word "bank", |
| 18 | "banker", "banking", "savings", "safe deposit", "trust", "trustee", "building and loan", |
| 19 | "homestead", "credit union", or any other word of similar import, the secretary of |
| 20 | state shall not file the registration until the secretary of state receives satisfactory |
| 21 | evidence that written notice of the proposed use of that name was delivered to the |
| 22 | office of financial institutions at least fourteen days prior to the filing made with the |
| 23 | secretary of state. |
| 24 | C. If the secretary of state receives for filing a registered limited liability |
| 25 | partnership registration that includes in the partnership name the word "engineer", |
| 26 | "engineering", "surveyor", or "surveying", the secretary of state shall not file the |
| 27 | registration until the secretary of state receives either of the following: |
| 28 | (1) Satisfactory evidence that written notice of the proposed use of that name |
| 29 | was delivered to the Louisiana Professional Engineering and Land Surveying Board |
| 30 | at least ten days prior to the filing made with the secretary of state. |

| 1 | (2) A written waiver of the ten-day notice prescribed in Paragraph (1) of this |
|----|---|
| 2 | Subsection, signed by the executive secretary or any officer of the Louisiana |
| 3 | Professional Engineering and Land Surveying Board. |
| 4 | D. If the secretary of state receives for filing a registered limited liability |
| 5 | partnership registration that includes in the partnership name the word "architect", |
| 6 | "architectural", or "architecture", the secretary of state shall not file the registration |
| 7 | until the secretary of state receives either of the following: |
| 8 | (1) Satisfactory evidence that written notice of the proposed use of that name |
| 9 | was delivered to the Louisiana State Board of Architectural Examiners at least ten |
| 10 | days prior to the filing made with the secretary of state. |
| 11 | (2) A written waiver of the ten-day notice prescribed in Paragraph (1) of this |
| 12 | Subsection, signed by the executive director or any member of the Louisiana State |
| 13 | Board of Architectural Examiners. |
| 14 | Section 2. R.S. 12:1-202(A)(introductory paragraph) and (B)(1), 1-401(A)(1) |
| 15 | through (3)(introductory paragraph), (B)(introductory paragraph), (C)(introductory |
| 16 | paragraph) and (1), (D)(introductory paragraph), (F), and (G), 1-1444(E)(2)(b), 203(C), |
| 17 | 204(A), (B)(introductory paragraph) and (1), and (F), 303(A)(3) and (B), 304(A)(2), 312.1, |
| 18 | 1306(A)(3)(introductory paragraph) and (a) and (4) and (E), and (F), 1308.3(C)(introductory |
| 19 | paragraph), 1344, 1345(A)(2), and 1811(A) and (B) are hereby amended and reenacted and |
| 20 | R.S. 12:1-401(A)(3)(e) and 1306(A)(5) are hereby enacted to read as follows: |
| 21 | §1-202. Articles of incorporation and signed consent by agent to appointment |
| 22 | A. The articles of incorporation must shall set forth all of the following: |
| 23 | * * * |

HB NO. 621 **ENROLLED** 1 B. The articles of incorporation may set forth any of the following: 2 (1) The names and street addresses, not a post office address only, of the 3 individuals who are to serve as the initial directors. 4 5 §1-401. Corporate name 6 A.(1) A corporate name may include words in any language but must shall 7 be written in English letters or characters. 8 (2) A corporate name must shall contain the word "corporation", 9 "incorporated", "company", or "limited," or the abbreviation, with or without punctuation, "corp.", "inc.", "co.", or "ltd.". 10 11 (3) A corporate name may shall not contain any of the following: 12 13 (e) Words or phrases that consist of or comprise immoral, deceptive, or 14 scandalous matter. 15 16 B. Except as authorized by in Subsections C and D of this Section, a 17 corporate name must shall be distinguishable upon the records of the secretary of 18 state from all of the following: 19 20 C. A corporation may apply to the secretary of state for authorization to use 21 a name in its filings with the secretary of state that is not distinguishable upon the 22 records of the secretary of state from one or more of the names described in 23 Subsection B of this Section. The secretary of state shall authorize the use of the

(1) The other registrant consents to the use in writing and submits the document required by law to change its name to one that is distinguishable <u>upon the records of the secretary of state</u> from the name of the applying corporation, effective

name applied for if either of the following occur:

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25

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| no later than the time that the applying | corporation will beg | in to use the registrant's |
|--|----------------------|----------------------------|
| former name. | | |

3 * * *

D. A corporation may use in its filings with the secretary of state a name that is not distinguishable <u>upon the records of the secretary of state</u> from one or more of the names described in Subsection B of this Section if the registrant of the name is incorporated, organized, or authorized to transact business in this state and the proposed user corporation did any of the following:

* * *

- F. If the secretary of state receives for filing articles of incorporation that include in the corporate name the word "bank", "banker", "banking", "savings", "safe deposit", "trust", "trustee", "building and loan", "homestead", "credit union", or any other word of similar import, the secretary of state shall not file the articles of incorporation until the secretary of state receives satisfactory evidence that written notice of the proposed use of that name was delivered to the office of financial institutions at least fourteen days earlier prior to the filing made with the secretary of state.
- G. If the secretary of state receives for filing articles of incorporation that include in the corporate name the word "engineer", "engineering", "surveyor", or "surveying," "surveying", or any derivative thereof, the secretary of state shall not file the articles of incorporation until the secretary of state receives either of the following:
- (1) Satisfactory evidence that written notice of the proposed use of that name was delivered to the Louisiana Professional Engineering and Land Surveying Board at least ten days earlier prior to the filing made with the secretary of state.
- (2) A written waiver of the ten-day notice requirement <u>prescribed in Paragraph (1) of this Subsection</u>, signed by the executive secretary or any officer of the Louisiana Professional Engineering and Land Surveying Board.

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§1-1444. Reinstatement of terminated corporation

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| 1 | * * * |
| 2 | E. The articles of reinstatement shall state all of the following: |
| 3 | * * * |
| 4 | (2) That the reinstatement was approved in accordance with either of the |
| 5 | following: |
| 6 | * * * |
| 7 | (b) R.S. 12:1-1444(C), and that the directors and officers listed in the annual |
| 8 | report accompanying the articles of reinstatement were elected in accordance with |
| 9 | that Subsection. If the annual report is not yet due, the report to be made in |
| 10 | compliance with this Subsection shall be provided in a separate written statement. |
| 11 | * * * |
| 12 | §203. Articles of incorporation |
| 13 | * * * |
| 14 | C. The articles may also contain any of the following: |
| 15 | (1) Provisions provisions dealing generally with the authorized number and |
| 16 | qualifications of the shareholders and members, the property rights, basis of voting |
| 17 | and other rights and privileges of the shareholders and members, the liability of the |
| 18 | shareholders and members for dues or assessments and the methods of collection |
| 19 | thereof, and any other lawful provision desired for the regulation of the affairs of the |
| 20 | corporation, including any provision authorized by R.S. 12:24(C). |
| 21 | (2) A provision eliminating or limiting the personal liability of a director or |
| 22 | officer to the corporation or its shareholders for monetary damages for breach of |
| 23 | fiduciary duty as a director or officer, provided that such provision does not |
| 24 | eliminate or limit the liability of a director or officer for any of the following: |
| 25 | (a) Any breach of the director's or officer's duty of loyalty to the corporation |
| 26 | or its shareholders. |

(c) Liability pursuant to the provisions of R.S. 12:226(D).

misconduct or a knowing violation of law.

(b) Acts or omissions not in good faith or which involve intentional

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| 1 | (d) Any transaction from which the director or officer derived an improper |
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| 2 | personal benefit. |
| 3 | (3) Provisions regarding any of the following: |
| 4 | (a) Managing the business and regulating the affairs of the corporation. |
| 5 | (b) Defining, limiting, and regulating the powers of the corporation, its board |
| 6 | of directors, and shareholders. |
| 7 | (4) Any provision for which this Chapter requires or permits to be set forth |
| 8 | in the bylaws. |
| 9 | (5)(a) A provision that cash, property or share dividends, shares issuable to |
| 10 | shareholders in connection with a reclassification of stock, and the redemption price |
| 11 | of redeemed shares that are not claimed by the entitled shareholders within a |
| 12 | reasonable time after the dividend or redemption price became payable or the shares |
| 13 | became issuable, despite reasonable efforts by the corporation to pay the dividend |
| 14 | or redemption price, or provide delivery of the certificates for the shares to such |
| 15 | shareholders, shall revert in full ownership to the corporation, and the corporation's |
| 16 | obligation to pay such dividend or redemption price or issue such shares, as the case |
| 17 | may be, shall therefor cease, provided that the board of directors may, at any time, |
| 18 | for any reason satisfactory to it, but need not, authorize either of the following: |
| 19 | (i) Payment of the amount of any cash or property dividend or redemption |
| 20 | price. |
| 21 | (ii) Issuance of any shares, ownership of which has reverted to the |
| 22 | corporation pursuant to a provision of the articles authorized by this Section, to the |
| 23 | person that would be entitled had such reversion not occurred. |
| 24 | (b) The "reasonable time" as stated in Subparagraph (a) of this Paragraph |
| 25 | means a period of time not less than one year. |
| 26 | * * * |

§204. Corporate name

A. The corporate name may be in any language, but it must be expressed in English letters or characters. The corporate name shall not imply that the corporation is an administrative agency of any parish or of this state, or any of its political subdivisions, or of the United States. It shall not contain words or phrases that consist of or comprise immoral, deceptive, or scandalous matter. It shall not contain the words "bank," "banking," "banker," "savings," "trust," "deposit," "insurance," "mutual," "assurance," "indemnity," "casualty," "fiduciary," "homestead," "building and loan," "surety," "security," "guarantee," "cooperative," "state," "parish," "redevelopment corporation," "electric cooperative," or "credit union."

- B. As used in this Subsection, the term "corporation" includes nonprofit corporations, business corporations, foreign corporations, and partnerships. The corporate name shall be distinguishable from a name reserved pursuant to R.S. 12:1-402(A) and shall be distinguishable upon the records of the secretary of state from the name of any other corporation, limited liability company, partnership, or trade name registered with the secretary of state unless any of the following Paragraphs apply:
- (1) The other registrant consents to the use of the name in writing and submits the document required by law to change its name to one that is distinguishable upon the records of the secretary of state from the name of the applying corporation, effective no later than the time that the applying corporation will begin to use the registrant's former name.

* * *

F. If the corporation seeking the issuance of a certificate of incorporation in this state includes in its name the word "engineer", "engineering", "surveyor", or "surveying", or any derivative thereof, the secretary of state shall require, prior to the issuance of the certificate of incorporation, evidence satisfactory to him that written notice of such application for a certificate of incorporation has been delivered to the Louisiana Professional Engineering and Land Surveying Board in writing not less

than ten days prior to the date of issuance of the certificate of incorporation. If the applicant corporation files with its application to the secretary of state a written waiver signed by the executive secretary or any officer of the Louisiana Professional Engineering and Land Surveying Board waiving the requirement of ten days written notice to said board, as set forth in the preceding sentence, the secretary of state shall be authorized to proceed immediately with the processing of such application.

* * *

§303. Name of authorized foreign corporation

A. No certificate of authority shall hereafter be issued to a foreign corporation unless its corporate name:

* * *

(3) Is not, subject to the exceptions provided in R.S. 12:23(B) R.S. 12:1-401(C), the same as or nondistinguishable upon the records of the secretary of state from the name of any business or nonprofit corporation organized under the laws of this state or of any foreign corporation authorized to transact business in this state, a trade name registered with the secretary of state, or a name the exclusive right to which is, at the time, reserved in the manner provided in Chapter 1 of this Title. In order to obviate this objection, a corporation may add some distinguishing term to its name for use in this state. No corporation shall include the phrase "doing business as" or the abbreviation "d/b/a" as part of the distinguishing term.

B. Whenever a foreign corporation which is authorized to transact business in this state, shall on or after January 1, 1969, change its name to one under which a certificate of authority would not be granted to it on application therefor, the certificate of authority of such corporation shall be deemed suspended, and it shall not thereafter transact any business in this state until it has changed its name to a name which is available to it under the laws of this state or until it has added some distinguishing term upon the records of the secretary of state to its name for use in this state.

29 * * *

§304. Application for certificate of authority

| 1 | A. Application by a foreign corporation to procure a certificate of authority |
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| 2 | shall be made to the secretary of state and shall set forth: |
| 3 | * * * |
| 4 | (2) If the name of the corporation does not conform to the requirements of |
| 5 | R.S. 12:303, the name of the corporation with the word, abbreviation or |
| 6 | distinguishing term upon the records of the secretary of state which it elects to add |
| 7 | thereto for use in this state. |
| 8 | * * * |
| 9 | §312.1. Termination of withdrawal proceedings |
| 10 | At any time before the certificate of withdrawal is issued by the secretary of |
| 11 | state pursuant to R.S. 12:312, withdrawal proceedings may be terminated by |
| 12 | delivering to the secretary of state a request that withdrawal proceedings be |
| 13 | terminated. The request shall be signed by any officer of the corporation. After all |
| 14 | fees and charges have been paid as required by law, the secretary of state shall place |
| 15 | the request to terminate withdrawal proceedings on file in his office and shall |
| 16 | acknowledge receipt of the request by returning the application for withdrawal forms |
| 17 | to the corporation or its representative. The secretary of the Department of Revenue |
| 18 | and the administrator of Louisiana Employment Security Law shall be notified by |
| 19 | the secretary of state of the termination of withdrawal proceedings. |
| 20 | * * * |
| 21 | §1306. Name |
| 22 | A. The name of each limited liability company as set forth in its articles of |
| 23 | organization: |
| 24 | * * * |
| 25 | (3) Shall be distinguishable upon the records of the secretary of state from |
| 26 | the name of any corporation, partnership, or other limited liability company |
| 27 | organized under the laws of this state, any foreign corporation, partnership, or |
| 28 | limited liability company registered or qualified to do business in this state, any |

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name which is reserved under R.S. 12:1307 or R.S. 12:1-402(A), or any trade name

registered with the secretary of state, unless any of the following Paragraphs

Subparagraphs apply:

(a) The other registrant consents to the use of the name in writing and submits the document required by law to change its name to one that is distinguishable upon the records of the secretary of state from the name of the applying corporation or limited liability company, effective no later than the time that the applying corporation or limited liability company will begin to use the registrant's former name.

* * *

- (4) Shall not imply that the company is an administrative agency of any parish or of this state, or any of its political subdivisions, or of the United States.
- (5) Shall not contain words or phrases that consist of or comprise immoral, deceptive, or scandalous matter.

* * *

E. If the limited liability company seeking the issuance of a certificate of organization in this state includes in its name the word "engineer", "engineering", "surveyor", or "surveying", or any derivative thereof, the secretary of state shall require, prior to the issuance of the certificate of organization, evidence satisfactory to him that written notice of such application for a certificate of organization has been delivered to the Louisiana Professional Engineering and Land Surveying Board in writing not less than ten days prior to the date of issuance of the certificate of organization. If the applicant limited liability company files with its application to the secretary of state a written waiver signed by the executive secretary or any officer of the Louisiana Professional Engineering and Land Surveying Board waiving the requirement of ten days written notice to said board, as set forth in the preceding sentence, the secretary of state shall be authorized to proceed immediately with the processing of such application.

F.(1) A limited liability company name shall not contain the word "insurance" unless the limited liability company is an independent insurance agency or brokerage firm.

| (2) If a limited liability company seeking issuance of a certificate of |
|---|
| organization in Louisiana includes in its name the words "bank", "banker", |
| "banking", "savings", "safe deposit", "trust", "trustee", "building and loan", |
| "homestead", or "credit union", the secretary of state shall require written approval |
| from the commissioner of the office of financial institutions dated not less than |
| fourteen days prior to the issuance of the certificate of organization. |

* * *

§1308.3. Conversion of state of organization

* * *

C. The domestic or foreign limited liability company seeking conversion shall file with the secretary of state a written request for conversion of the state of organization. If the company is manager-managed, the request shall be executed by a manager of the company. If the company is member-managed, the request shall be executed by a member of the company. Such The request shall contain all of the following:

* * *

§1344. Name of authorized foreign limited company

No A certificate of authority shall <u>not</u> be issued to a foreign limited liability company unless the name of such company satisfies the requirements of R.S. 12:1306. If the name of a foreign limited liability company does not satisfy the requirements of R.S. 12:1306(A)(1), to obtain or maintain a certificate of authority, the foreign limited liability company may add the words "limited liability company" or the abbreviation "L.L.C." or "L.C." to its name for use in this state. If its real name is unavailable, the foreign limited liability company may add a distinguishing term <u>upon the records of the secretary of state</u> to its name for use in this state. §1345. Application for certificate of authority

A. Application by a foreign limited liability company to procure a certificate of authority shall be made to the secretary of state and shall set forth the following:

29 * * *

| 1 | (2) If the name of the limited liability company does not conform with the |
|----|--|
| 2 | requirements of R.S. 12:1344, then the name of the limited liability company with |
| 3 | the word, abbreviation, or distinguishing term upon the records of the secretary of |
| 4 | state that it elects to add thereto for use in this state. |
| 5 | * * * |
| 6 | §1811. Corporate purposes |
| 7 | A. A benefit corporation shall have a purpose of creating a general public |
| 8 | benefit. This purpose is in addition to its purpose under R.S. 12:21 as described in |
| 9 | <u>R.S. 12:1-201</u> et seq. |
| 10 | B. The articles of a benefit corporation may identify one or more specific |
| 11 | public benefits that it is the purpose of the benefit corporation to create in addition |
| 12 | to its purposes under R.S. 12:21 R.S. 12:1-201 et seq. and Subsection A of this |
| 13 | Section. The identification of a specific public benefit under this Subsection shall |
| 14 | not limit the obligation of a benefit corporation under Subsection A of this Section. |
| 15 | * * * |
| 16 | Section 3. R.S. 22:62(introductory paragraph), (1) through (4), (6) through (8), and |
| 17 | (10), 232.2(A)(introductory paragraph) and (2) through (4), and (D), 243(B)(introductory |
| 18 | paragraph), (4), and (8) and (D) through (F) are hereby amended and reenacted to read as |
| 19 | follows: |
| 20 | §62. Articles of incorporation |
| 21 | Articles of incorporation shall be executed by authentic act signed by each |
| 22 | of the incorporators and shall state in the English language all of the following: |
| 23 | (1) The name of the corporation, which shall not be the same as nor |
| 24 | deceptively similar to the name of any other domestic insurer or of any alien or |
| 25 | foreign insurer authorized to do business in this state unless either of the following |
| 26 | Subparagraphs apply: |
| 27 | (a) such Such other domestic, alien or foreign insurer is about to change its |
| 28 | name, or to cease to do business, or is being wound up, or such foreign corporation |

is about to withdraw from doing business in this state, and the written consent of

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| 1 | such other insurer to the adoption of its name or a deceptively similar name has been |
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| 2 | given in writing and is filed with the articles, or. |
| 3 | (b) such Such other insurer has heretofore been authorized to do business in |
| 4 | this state for more than two years and has never actively engaged in business;. |
| 5 | (2) The purpose or purposes for which it is formed; |
| 6 | (3) Its duration; . |
| 7 | (4) The location and post office address of its registered office; The street |
| 8 | address, not a post office address only, of its initial registered office, and if different, |
| 9 | the street address, not a post office address only, of the corporation's initial principal |
| 10 | office. |
| 11 | * * * |
| 12 | (6) The amount of paid in capital and minimum surplus, or initial fund, with |
| 13 | which the corporation will begin business;. |
| 14 | (7) If a stock company, the number of shares, the amount of each share, and |
| 15 | the time when and the manner in which payment on stock subscribed shall be made;. |
| 16 | (8) The names of the first directors, their post office address respective street |
| 17 | addresses, not post office addresses only, and their classification and terms of office |
| 18 | if they be are named in the articles. Where the first board of directors is not named |
| 19 | in the articles, the articles shall provide the place where, the date when the |
| 20 | organization is to be perfected, and a meeting of the stockholders or policyholders |
| 21 | for that purpose must be held not more than sixty days after the execution of the |
| 22 | articles. At that meeting the directors shall be elected;. |
| 23 | * * * |
| 24 | (10) The designation of general officers, the number of directors, which shall |
| 25 | not be less than five nor more than fifty, and the mode and manner in which directors |
| 26 | shall be elected, and officers elected or appointed;. |
| 27 | * * * |
| 28 | §232.2. Incorporation of a mutual insurance holding company |
| 29 | A. A mutual insurance holding company or an intermediate holding |
| 30 | company resulting from the reorganization of a domestic mutual insurance company |
| | |

under R.S. 22:231 shall be incorporated pursuant to Title 12 of the Louisiana Revised Statutes of 1950, the Louisiana Business Corporation Law Act, R.S. 12:1 through 178 R.S. 12:1-101 through R.S. 12:1-1705, and shall be subject to its provisions and other provisions of Title 12 relative to business corporations, except that:

* * *

- (2) After approval of the commissioner, the articles showing the approval of the commissioner shall be filed in the office of the secretary of state together with an initial report, as prescribed by R.S. 12:101. If the first directors are not named in the articles of incorporation and the initial report, a supplemental report, setting forth their names and addresses, and signed by each incorporator or by any shareholder, shall be filed with the secretary of state and filed for record as provided by Paragraph (5) of this Subsection as soon as they have been selected.
- (3) If the secretary of state finds that the articles have been approved by the commissioner and that the articles and initial report are in compliance with this Subpart and Title 12 of the Louisiana Revised Statutes of 1950, and after all fees have been paid as required by law, the secretary of state shall record the articles and the initial report in his office, endorse on each the date and issue a certificate of incorporation that shall show the date. The certificate of incorporation as filed on the date and time of receipt. After filing the articles, the secretary of state shall deliver to the corporation or its representative a copy of the document with an acknowledgment of the date of filing. The secretary of state's filing of the articles of incorporation shall be conclusive evidence of the fact that the corporation has been duly incorporated except that in any proceeding brought by the state to annul, forfeit, or vacate a corporation's franchise, or by the commissioner to prohibit, suspend, or limit the corporation's right to conduct business as a mutual insurance holding company or an intermediate holding company, the certificate of incorporation shall be only prima facie evidence of due incorporation.
- (4) Upon the issuance of the certificate of incorporation, the corporation shall be duly incorporated, and the corporate existence shall begin, as of the time

when the articles were filed with the secretary of state Except as provided in R.S.

| 2 | 12:1-203(C), the corporate existence begins, and the corporation is duly incorporated |
|----|--|
| 3 | when the articles of incorporation become effective as provided in R.S. 12:1-123. |
| 4 | * * * |
| 5 | D. Notwithstanding anything in any provision of law to the contrary within |
| 6 | the Louisiana Business Corporation Law Act, R.S. 12:1 through 178 R.S. 12:1-101 |
| 7 | through R.S. 12:1-1705, meetings of the mutual insurance holding company and the |
| 8 | exercise of a member's voting rights shall be governed by R.S. 22:119 through 121 |
| 9 | and a written proxy conferred upon another policyholder either prior to, |
| 10 | contemporaneously with, or after a reorganization under R.S. 22:231, shall remain |
| 11 | in force indefinitely until revoked by the member. |
| 12 | * * * |
| 13 | §243. Incorporation |
| 14 | * * * |
| 15 | B. Articles of incorporation shall be executed by authentic act signed by each |
| 16 | of the incorporators and shall state in the English language all of the following: |
| 17 | * * * |
| 18 | (4) The location and post office address of its registered office The street |
| 19 | address, not a post office address only, of its initial registered office, and if different, |
| 20 | the street address, not a post office address only, of the corporation's initial principal |
| 21 | office. |
| 22 | * * * |
| 23 | (8) The names of the first directors, their post office street address, not a post |
| 24 | office address only, and their classification and terms of office if they be named in |
| 25 | the articles. Where the first board of directors is not named in the articles, the |
| 26 | articles shall provide the place where and the date when the organization is to be |
| 27 | perfected, and a meeting of the stockholders for that purpose must be held not more |
| 28 | than sixty days after the execution of the articles. At that meeting the directors shall |
| 29 | be elected. |
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D.(1) After the payment of all fees owed to the Department of Insurance, the articles showing the approval of the commissioner shall be filed in the office of the secretary of state together with an initial report, as prescribed by R.S. 12:101. If the first directors are not named in the articles of incorporation and the initial report, a supplemental report, setting forth their names and addresses, and signed by each incorporator or by any shareholder, shall be filed with the secretary of state and filed for record as provided by Paragraph (4) of this Subsection as soon as they have been selected.

(2) If the secretary of state finds that the articles have been approved by the commissioner and that the articles and initial report are in compliance with this Subpart and Title 12 of the Louisiana Revised Statutes of 1950, and after all fees have been paid as required by law, the secretary of state shall record the articles and the initial report in his office, endorse on each the date and, if requested, the hour of filing thereof with him, and issue a certificate of incorporation that shall show the date and, if endorsed on the articles, the hour of filing of the articles with him. The certificate of incorporation as filed on the date and time of receipt. After filing the articles, the secretary of state shall deliver to the corporation or its representative a copy of the document with an acknowledgment of the date of filing. The secretary of state's filing of the articles of incorporation shall be conclusive evidence of the fact that the corporation has been duly incorporated except that in any proceeding brought by the state to annul, forfeit, or vacate a corporation's franchise, or by the commissioner to prohibit, suspend or limit the corporation's right to conduct business as a health maintenance organization, the certificate of incorporation shall be only prima facie evidence of due incorporation.

(3) Upon the issuance of the certificate of incorporation, the corporation shall be duly incorporated, and the corporate existence shall begin, as of the time when the articles were filed with the secretary of state Except as provided in R.S. 12:1-203(C), the corporate existence begins and the corporation is duly incorporated when the articles of incorporation become effective as provided in R.S. 12:1-123.

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(4) A multiple original of the articles or a copy certified by the secretary of state, with a copy of the certificate of incorporation, and a multiple original of the initial report, or a copy certified by the secretary of state, shall be filed in the office of the recorder of mortgages of the parish in which the registered office of the corporation is situated, and a certified copy of the articles and initial report, bearing the certificate of the proper parish recorder with a copy of the certificate of incorporation, shall be filed with the commissioner. (5)(4) The corporation shall not have authority to transact a health maintenance organization business until a certificate of authority to transact such business is issued to it by the commissioner.

- E.(1) Except as otherwise provided in the articles of incorporation, an incorporated health maintenance organization may amend its articles of incorporation in the manner provided in R.S. 12:31 R.S. 12:1-1003.
- (2) After such amendment has been duly adopted, an authentic act setting forth the amendment and the manner of adoption thereof shall be executed by such person or persons authorized to do so at the meeting. A full copy of the resolution adopting such amendment, certified as true copy by the secretary of the health maintenance organization, shall be annexed to the authentic act. The articles of amendment shall be approved by the commissioner and recorded with the secretary of state, the recorder of mortgages, and the commissioner, in the same manner as that provided herein for the original articles of incorporation.
- (3) The provisions of Paragraphs (1) and (2) of this Subsection shall not be are not applicable when an incorporated health maintenance organization changes either its registered agent or address, or both. In any such change, the incorporated health maintenance organization shall provide the commissioner with the board resolution and notice and shall follow the requirements of Part X Part 5 of Chapter 1, of Title 12 of the Louisiana Revised Statutes of 1950.
- F. The provisions of R.S. 12:1 through R.S. 12:1-101 through R.S. 12:1-1705 and other provisions of the Louisiana Revised Statutes of 1950, relative to business corporations, shall apply to the regulation of the business and the

| 1 | conduct of the affairs of any health maintenance organization which has been |
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| 2 | incorporated pursuant to the provisions of this Subpart. If a conflict exists between |
| 3 | the provisions of this Subpart and said the provisions of Title 12, the provisions of |
| 4 | this Subpart shall govern. |
| 5 | Section 4. R.S. 49:222(B)(1)(introductory paragraph), (a), (b), (e) and (f), |
| 6 | (2)(introductory paragraph), (4)(c) and (f), (5)(b), and (6) are hereby amended and reenacted |
| 7 | and R.S. 49:222(B)(14) is hereby enacted to read as follows: |
| 8 | §222. Fees chargeable by secretary of state |
| 9 | * * * |
| 10 | B. The secretary of state is authorized to collect the following fees: |
| 11 | (1) Domestic <u>business</u> corporations and limited liability companies. |
| 12 | (a) Twenty-five dollars for reserving a corporate name or limited liability |
| 13 | company name, transferring a reserved corporate name, registering a corporate name, |
| 14 | or renewing a registered corporate name, or applying for use of an indistinguishable |
| 15 | name by a corporation. |
| 16 | (b) Seventy-five dollars for filing and recording corporation articles of |
| 17 | incorporation, articles of amendment, articles of restatement, articles of |
| 18 | domestication, articles of charter surrender, articles of nonprofit conversion, articles |
| 19 | of nonprofit domestication and conversion, articles of dissolution, articles of |
| 20 | revocation of dissolution, articles of reinstatement, articles of merger or share |
| 21 | exchange, abandonment proceedings, simplified articles of termination, and articles |
| 22 | of correction. |
| 23 | * * * |
| 24 | (e) Twenty-five dollars for a corporation's statement of change of registered |
| 25 | agent or registered office, or both, the resignation of an agent or officer; |
| 26 | appointment of a registered agent;, change of domicile;, appointment of new officers, |
| | |

(f) Twenty-five dollars for a supplemental initial report <u>for a limited liability</u> <u>company</u>.

directors, members, or managers; and change of address for agents, officers,

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directors, members, or managers.

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| 2 | (2) Nonprofit Domestic nonprofit corporations. |
| 3 | * * * |
| 4 | (4) Partnerships and registered limited liability partnerships. |
| 5 | * * * |
| 6 | (c)(i) For partnerships, one hundred dollars for filing a contract of |
| 7 | partnership, amendment and termination of a domestic partnership or original or |
| 8 | renewal forms, and merger or consolidation of a registered limited liability |
| 9 | partnership of a domestic partnership or a registered limited liability partnership, and |
| 10 | filing an amendment, merger, consolidation, or termination of a domestic |
| 11 | partnership. |
| 12 | (ii) For registered limited liability partnerships, one hundred twenty-five |
| 13 | dollars for filing a contract of partnership, amendment and termination of a domestic |
| 14 | partnership or original or renewal forms, conversions to and from a registered limited |
| 15 | liability company, and merger or consolidation of a registered limited liability |
| 16 | partnership. |
| 17 | * * * |
| 18 | (f) Twenty-five Thirty dollars for annual reports for partnerships. |
| 19 | (5) Trade names, trademarks, and service marks. |
| 20 | * * * |
| 21 | (b) Seventy-five dollars for registering, renewing, <u>assigning</u> , or terminating |
| 22 | a trade name, trademark, or service mark. |
| 23 | * * * |
| 24 | (6) Articles of entity conversions. |
| 25 | (a) Seventy-five dollars for conversion from or to a limited liability |
| 26 | company, except as provided in Subparagraph (6)(b) of this Paragraph. |
| 27 | (b) One hundred dollars for conversion from or to a partnership, including |
| 28 | the conversion of a limited liability company from or to a partnership. |
| 29 | * * * |
| 30 | (14) Home Service Contract Provider Applications. |
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| 1 | (a) Six hundred dollars for filing applications for home service contract |
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| 2 | providers. |
| 3 | (b) Two hundred fifty dollars for filing renewals for home service contract |
| 4 | providers. |
| 5 | Section 5. R.S. 51:212(introductory paragraph) and (5) and 3143(C) are hereby |
| 6 | amended and reenacted to read as follows: |
| 7 | §212. Registrability |
| 8 | A <u>name or</u> mark by which the <u>name</u> , goods, or services of any applicant for |
| 9 | registration may be distinguished from the <u>name</u> , goods, or services of others shall |
| 10 | not be registered if it: |
| 11 | * * * |
| 12 | (5)(a) Consists of a mark which, which contains any of the following |
| 13 | characteristics: |
| 14 | (1) when (i) When applied to the goods or services of the applicant, is merely |
| 15 | descriptive or deceptively misdescriptive of them, or. |
| 16 | (2) when (ii) When applied to the goods or services of the applicant, is |
| 17 | primarily geographically descriptive or deceptively misdescriptive of them, or. |
| 18 | (3) is (iii) Is primarily merely a surname provided, however, that nothing. |
| 19 | (b) Nothing in this paragraph (5) Paragraph shall prevent the registration of |
| 20 | a mark used in this state by the applicant which has become distinctive of the |
| 21 | applicant's goods or services. The secretary of state may accept as evidence that the |
| 22 | mark has become distinctive, as applied to the applicant's goods or services, proof |
| 23 | of continuous use thereof as a mark by the applicant in this state or elsewhere for the |
| 24 | five years next preceding the date of the filing of the application for registration. |
| 25 | * * * |
| 26 | §3143. Requirements for doing business |
| 27 | * * * |
| 28 | C. A registration shall be effective for two years, unless the registration is |
| 29 | denied or revoked. Ninety days prior to the expiration of a registration, a provider |
| 30 | shall submit a renewal application on a form prescribed by the secretary of state and |

HB NO. 621 **ENROLLED** 1 a renewal fee of two hundred fifty dollars. All fees shall be paid to the secretary of 2 state. The deadline for complying with all requirements for initial registration as 3 described in this Subsection, and for posting a two-year bond in the amount as 4 described in Subsection E of this Section is January fifteenth. 5 6 Section 6. R.S. 3:85(C) and 148, R.S. 22:232.2(A)(5), and R.S. 49:222(5)(f) through 7 (h) are hereby repealed in their entirety. 8 Section 7. This Act shall become effective upon signature by the governor or, if not 9 signed by the governor, upon expiration of the time for bills to become law without signature 10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 11 vetoed by the governor and subsequently approved by the legislature, this Act shall become 12 effective on the day following such approval. SPEAKER OF THE HOUSE OF REPRESENTATIVES PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____