317A.621 MERGER OF WHOLLY OWNED SUBSIDIARIES.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in paragraphs (b) and (c) have the meanings given.

(b) "Parent" means a corporation that owns, directly or indirectly through one or more wholly owned organizations, all of the rights to distributions and all of the management rights in a wholly owned subsidiary.

(c) "Wholly owned subsidiary" means a limited liability company in which all of the rights to distributions and all of the management rights are owned directly or indirectly by a parent. Wholly owned subsidiary does not include a nonprofit limited liability company organized under or governed by section 322C.1101.

Subd. 2. **When authorized.** A corporation that is a parent may merge a wholly owned subsidiary into itself or may merge two or more wholly owned subsidiaries into one of the wholly owned subsidiaries by adoption of a plan of merger that meets the requirements of subdivision 2a and is approved in the manner described in subdivision 3.

Subd. 2a. **Plan of merger.** The plan of merger must contain:

(1) the name of each wholly owned subsidiary that is a constituent organization in the merger, the name of the parent, and the name of the surviving organization;

(2) the terms and conditions of the proposed merger; and

(3) the manner and basis of converting the governance and financial interests of the wholly owned subsidiary into membership interests of the surviving organization, if applicable.

Subd. 3. **Approval by parent.** (a) When a parent has members with voting rights, the board of directors of the parent shall adopt a resolution by the affirmative vote of a majority of all directors approving a proposed plan of merger under this section and directing that the plan be submitted to a vote at a meeting of the members with voting rights. Notice of the meeting must be given to each member with voting rights, accompanied by a copy or summary of the proposed plan. Unless the articles or bylaws require a greater vote, the plan of merger is adopted upon receiving the affirmative vote of a majority of the members with voting rights voting on the action.

(b) When a parent does not have members with voting rights, and unless the articles or bylaws require a greater vote, a plan of merger under this section is adopted at a meeting of the board of directors of the parent upon receiving the affirmative votes of a majority of the directors. Notice of the meeting must be given, accompanied by a copy of the proposed plan of merger.

Subd. 4. **Articles of merger; contents of articles.** Articles of merger must be prepared that contain:

(1) the plan of merger;

(2) a statement that the parent owns directly, or indirectly through related organizations, all of the governance and financial interests of each wholly owned subsidiary that is a constituent organization in the merger;

(3) a statement that the plan of merger has been approved by the parent under this section; and

(4) a statement that the notice to the attorney general required by section 317A.811 has been given and the waiting period has expired or has been waived by the attorney general or a statement that section 317A.811 is not applicable.

Subd. 5. **Articles signed, filed.** The articles of merger must be signed on behalf of the parent and filed with the secretary of state.

Subd. 6. **Certificate.** The secretary of state shall issue a certificate of merger to the parent or the parent's legal representative or, if a wholly owned subsidiary is the surviving organization in the merger, to the surviving organization or its legal representative.

History: *2017 c 17 s 9; 2018 c 103 s 18*