



SPONSOR: Rep. Walker & Rep. M. Smith & Sen. Henry & Sen. Townsend
Reps. Brady, J. Johnson, Mitchell, Paradee, Potter, Smyk, Wilson; Sens. Lavelle, McDowell, Simpson

HOUSE OF REPRESENTATIVES
147th GENERAL ASSEMBLY

HOUSE BILL NO. 123

AN ACT TO AMEND 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 § 15-504(d), Title 6 of the Delaware Code by making insertions as shown by underlining as
2 follows:

3 (d) The entry of a charging order is the exclusive remedy by which a judgment creditor of a partner or of a
4 partner's transferee may satisfy a judgment out of the judgment debtor's economic interest in the partnership and
5 attachment, garnishment, foreclosure or other legal or equitable remedies are not available to the judgment creditor.

6 Section 2. Amend § 15-901(i), Title 6 of the Delaware Code by making insertions as shown by underlining as
7 follows:

8 (i) In connection with a conversion hereunder, rights or securities of, or interests in, the other entity which is to be
9 converted to a domestic partnership may be exchanged for or converted into cash, property, rights or securities of or
10 interests in such domestic partnership or, in addition to or in lieu thereof, may be exchanged for or converted into cash,
11 property, rights or securities of or interests in another domestic partnership or other entity, may remain outstanding or may
12 be cancelled.

13 Section 3. Amend § 15-902(b), Title 6 of the Delaware Code by making insertions as shown by underlining as
14 follows:

15 (b) Pursuant to an agreement of merger or consolidation, 1 or more domestic partnerships may merge or
16 consolidate with or into 1 or more domestic partnerships or 1 or more other business entities formed or organized under the
17 laws of the State of Delaware or any other state or the United States or any foreign country or other foreign jurisdiction, or
18 any combination thereof, with such domestic partnership or other business entity as the agreement shall provide being the
19 surviving or resulting domestic partnership or other business entity. Unless otherwise provided in the partnership
20 agreement, an agreement of merger or consolidation or a plan of merger shall be approved by each domestic partnership

21 which is to merge or consolidate by all of its partners. In connection with a merger or consolidation hereunder, rights or
22 securities of, or interests in, a domestic partnership or other business entity which is a constituent party to the merger or
23 consolidation may be exchanged for or converted into cash, property, rights or securities of, or interests in, the surviving or
24 resulting domestic partnership or other business entity or, in addition to or in lieu thereof, may be exchanged for or
25 converted into cash, property, rights or securities of, or interests in a domestic partnership or other business entity which is
26 not the surviving or resulting domestic partnership or other business entity in the merger or consolidation, may remain
27 outstanding or may be cancelled. Notwithstanding prior approval, an agreement of merger or consolidation or a plan of
28 merger may be terminated or amended pursuant to a provision for such termination or amendment contained in the
29 agreement of merger or consolidation or plan of merger.

30 Section 4. Amend § 15-903(d), Title 6 of the Delaware Code by making insertions as shown by underlining as
31 follows:

32 (d) In connection with a conversion of a domestic partnership to another entity or business form pursuant to this
33 section, rights or securities of or interests in the domestic partnership which is to be converted may be exchanged for or
34 converted into cash, property, rights or securities of or interests in the entity or business form into which the domestic
35 partnership is being converted or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property,
36 rights or securities of or interests in another entity or business form, may remain outstanding or may be cancelled.

37 Section 5. Amend § 15-904(j), Title 6 of the Delaware Code by making insertions as shown by underlining as
38 follows:

39 (j) In connection with a domestication hereunder, rights or securities of, or interests in, the non-United States
40 entity that is to be domesticated as a domestic partnership may be exchanged for or converted into cash, property, rights or
41 securities of, or interests in, such domestic partnership or, in addition to or in lieu thereof, may be exchanged for or
42 converted into cash, property, rights or securities of, or interests in, another domestic partnership or other entity, may
43 remain outstanding or may be cancelled.

44 Section 6. Amend § 15-905(f), Title 6 of the Delaware Code by making insertions as shown by underlining as
45 follows:

46 (f) In connection with a transfer or domestication or continuance of a domestic partnership to or in another
47 jurisdiction pursuant to subsection (a) of this section, rights or securities of, or interests in, such partnership may be
48 exchanged for or converted into cash, property, rights or securities of, or interests in, the entity or business form in which
49 the partnership will exist in such other jurisdiction as a consequence of the transfer or domestication or continuance or, in

50 addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights or securities of, or interests in,
51 another entity or business form, may remain outstanding or may be cancelled.

52 Section 7. This Act shall become effective August 1, 2013.

SYNOPSIS

This bill continues the practice of amending periodically the Delaware Revised Uniform Partnership Act (the "Act") to keep it current and to maintain its national preeminence. The following is a section-by-section review of the proposed amendments of the Act.

Section 1. This section amends § 15-504(d) of the Act to confirm that a charging order is the sole and exclusive remedy by which a judgment creditor of a partner or a partner's transferee may satisfy a judgment out of the judgment debtor's economic interest and that attachment, garnishment, foreclosure or other legal or equitable remedies are not available to the judgment creditor.

Sections 2, 4, 5 and 6. Sections 2, 4, 5 and 6 amend the provisions of the Act relating to domestication, transfer, continuance and conversion to confirm that in connection with a domestication, transfer, continuance or conversion, rights or securities of, or interests in, an entity that is domesticating or converting to a partnership and rights or securities of, or interests in, a partnership that is transferring to or domesticating or continuing in another jurisdiction or converting to a different type of entity or another jurisdiction may remain outstanding in connection with such domestication, transfer, continuance or conversion.

Section 3. This section amends the provisions of the Act relating to mergers to confirm that rights or securities of, or interests in, a constituent party that is the surviving entity in a merger may remain outstanding in connection with the merger.

Section 7. This section provides that the proposed amendments of the Act shall become effective August 1, 2013.