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HOUSE BILL NO. 798

Offered January 22, 1996

A *BILL to amend and reenact §§ 11-3, 13.1-1002, 13.1-1004, 13.1-1010.1, 13.1-1015, 13.1-1024, 13.1-1031, 13.1-1046, 13.1-1049, 13.1-1052, 13.1-1054, 13.1-1059, 13.1-1102, 13.1-1104, 13.1-1105, 13.1-1110, 13.1-1117, 13.1-1121, 50-73.11:1, and 64.1-48 of the Code of Virginia, relating to limited liability companies and partnerships.*

Patron—Diamonstein

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:

1. That §§ 11-3, 13.1-1002, 13.1-1004, 13.1-1010.1, 13.1-1015, 13.1-1024, 13.1-1031, 13.1-1046, 13.1-1049, 13.1-1052, 13.1-1054, 13.1-1059, 13.1-1102, 13.1-1104, 13.1-1105, 13.1-1110, 13.1-1117, 13.1-1121, 50-73.11:1, and 64.1-48 of the Code of Virginia are amended and reenacted as follows:

§ 11-3. Sealed writings; writings not purporting to be sealed.

Any writing to which a natural person, corporation, *limited liability company* or partnership, whether general or limited, making it affixes a scroll by way of a seal, shall be of the same force as if it were actually sealed. The impression or stamping of a corporate or an official seal on paper or parchment alone shall be as valid as if made on wax or other adhesive substance. And any writing to which a natural person, corporation, *limited liability company* or partnership, whether general or limited, making it affixes his signature, or their signatures, and which writing in its body says "this deed," or "this indenture," or other words importing a sealed instrument, or recognizes a seal, shall be of the same force as if it were actually sealed by such person, corporation, *limited liability company* or partnership, although no seal or scroll be attached; and any writing signed by a natural person, corporation, *limited liability company* or partnership, whether general or limited, and regularly acknowledged before an officer authorized to take acknowledgments of deeds to be recorded in this Commonwealth, in the body of which writing it clearly appears that the person so signing and acknowledging the same intends to and does grant or convey unto the grantee named therein certain real estate as therein described, and in which the writing is not said to be a deed or an indenture, and does not purport to be sealed, and to which no seal or scroll is attached, such writing shall pass the title to such real estate as effectually as if it were written and executed in strict accordance with the provisions of § 55-48; and any such writing admitted to record prior to June 19, 1946, shall be of the effect as if made and recorded thereafter, except as to vested rights already attached contrary to such writing.

§ 13.1-1002. Definitions.

As used in this chapter:

"Articles of organization" means all documents constituting, at any particular time, the articles of organization of a limited liability company. It includes the original articles of organization, the original certificate of organization issued by the Commission, and all amendments to the articles of organization. When the articles of organization have been restated pursuant to any articles of amendment, it includes only the restated articles of organization and any subsequent amendments to the restated articles of organization, but does not include the articles of amendment accompanying the restated articles of organization.

"Bankruptcy" means, with respect to any person, being the subject of an order for relief under Title 11 of the United States Code.

"Commission" means the State Corporation Commission of Virginia.

"Contribution" means any cash, property or services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a member contributes to a limited liability company in his capacity as a member.

"Distribution" means a direct or indirect transfer of money or other property, or incurrance of indebtedness by a limited liability company, to or for the benefit of its members in respect of their interests.

"Domestic corporation" has the same meaning as specified in § 13.1-603.

"Domestic limited partnership" has the same meaning as specified in § 50-73.1.

"Foreign corporation" has the same meaning as specified in § 13.1-603.

"Foreign limited liability company" means an entity that is an unincorporated association organized under laws other than the laws of this Commonwealth, and that affords to each of its members, pursuant to the laws under which it is organized, limited liability with respect to the liabilities of the entity.

"Foreign limited partnership" has the same meaning as specified in § 50-73.1.

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60 "Limited liability company" or "domestic limited liability company" means an entity that is an
61 unincorporated association, without perpetual duration, ~~having two or more members~~ that is organized
62 and existing under this chapter.

63 "Majority in interest" means a majority of the profits interests and a majority of the capital interests
64 of a limited liability company.

65 "Manager" or "managers" means a person or persons designated by the members of a limited liability
66 company to manage the limited liability company as provided in the articles of organization or an
67 operating agreement.

68 "Manager-managed limited liability company" means a limited liability company that is managed by
69 a manager or managers as provided for in its articles of organization or an operating agreement.

70 "Member" means a person that has been admitted to membership in a limited liability company as
71 provided in § 13.1-1038.1 and that has not ceased to be a member.

72 "Member-managed limited liability company" means a limited liability company that is not a
73 manager-managed limited liability company.

74 "Membership interest" or "interest" means a member's share of the profits and the losses of the
75 limited liability company and the right to receive distributions of the limited liability company's assets.

76 "Operating agreement" means an agreement of the members as to the affairs of a limited liability
77 company and the conduct of its business.

78 "Person" has the same meaning as specified in § 13.1-603.

79 "Principal office" means the office, in or out of this Commonwealth, where the principal executive
80 offices of a domestic or foreign limited liability company are located.

81 "State," when referring to a part of the United States, includes a state, commonwealth and the
82 District of Columbia, and their agencies and governmental subdivisions; and a territory or insular
83 possession, and their agencies and governmental subdivisions, of the United States.

84 "United States" includes a district, authority, bureau, commission, department and any other agency
85 of the United States.

86 § 13.1-1004. Issuance of certificate by Commission; recordation of documents.

87 A. Whenever this chapter conditions the effectiveness of a document upon the issuance of a
88 certificate by the Commission to evidence the effectiveness of the document, the Commission shall by
89 order issue the certificate if it finds that the document complies with the provisions of this chapter and
90 that all required fees have been paid. The Commission shall admit any such certificate to record in its
91 office.

92 B. The existence of a limited liability company shall begin ~~on the date on which~~ *at the time* the
93 Commission issues a certificate of organization *unless a later date and time are specified as provided by*
94 *subsection D of this section.* The certificate of organization shall be conclusive evidence that all
95 conditions precedent required to be performed by the person(s) forming the limited liability company
96 have been complied with and that the limited liability company has been formed under this chapter.

97 C. Whenever the Commission is directed to admit any document to record in its office, it shall cause
98 it to be spread upon its record books or to be recorded or reproduced in any other manner the
99 Commission may deem suitable. Except as otherwise provided by law, the Commission may furnish
100 information from and provide access to any of its records by any means the Commission may deem
101 suitable.

102 *D.1. A certificate issued by the Commission is effective at the time such certificate is issued, unless*
103 *the certificate relates to articles filed with the Commission and the articles state that the certificate shall*
104 *become effective at a later time and date specified in the articles. In that event, the certificate shall*
105 *become effective at the earlier of the time and date so specified or 11:59 p.m. on the fifteenth day after*
106 *the date on which the certificate is issued by the Commission. Any other document filed with the*
107 *Commission shall be effective when accepted for filing unless otherwise provided for in this chapter.*

108 *2. Notwithstanding subdivision 1 of this subsection, any certificate that has a delayed effective time*
109 *and date shall not become effective if, prior to the effective time and date, the parties to the articles to*
110 *which the certificate relates file a request for cancellation with the Commission, and the Commission, by*
111 *order, cancels the certificate.*

112 *3. Notwithstanding subdivision 1 of this subsection, for purposes of §§ 13.1-1012 and 13.1-1054, any*
113 *certificate that has a delayed effective date shall be deemed to be effective when the certificate is issued.*

114 § 13.1-1010.1. Conversion of partnership to limited liability company.

115 A. A general partnership ~~formed under~~ *governed by* the provisions of ~~Chapter 1 (§ 50-1 et seq.)~~ of
116 Title 50 or a limited partnership formed under the provisions of Chapter 2.1 (§ 50-73.1 et seq.) of Title
117 50 may convert to a limited liability company by filing articles of organization that meet the
118 requirements of § 13.1-1011 and include the following:

119 1. The name of the former general partnership or limited partnership; and

120 2. The date and place of filing of the initial certificate of partnership or certificate of limited
121 partnership of the former general partnership or limited partnership.

B. The terms and conditions of a conversion of a general or limited partnership to a limited liability company shall be approved by the partners in the manner provided in the partnership's partnership agreement for amendments to the partnership agreement or, if no such provision is made in a partnership agreement, by all the partners.

C. A general partner who becomes a member of a limited liability company as a result of the conversion remains liable as a general partner for an obligation incurred by the partnership before the conversion takes effect. The general partner's liability for all obligations of the limited liability company incurred after the conversion takes effect is that of a member or manager of a limited liability company, as the case may be, as provided in this chapter.

§ 13.1-1015. Registered office and registered agent.

A. Each domestic limited liability company and each foreign limited liability company registered pursuant to Article 10 (§ 13.1-1051 et seq.) of this chapter shall continuously maintain in this Commonwealth:

1. A registered office that may be the same as any of its places of business; and

2. A registered agent who shall be either:

a. An individual who is a resident of this Commonwealth and is either (i) a member or manager of the limited liability company, (ii) an officer or director of a corporation that is a member or manager of the limited liability company, (iii) a general partner of a general or limited partnership that is a member or manager of the limited liability company, or (iv) a member of the Virginia State Bar, and whose business office is identical with the registered office; or

b. A professional corporation ~~or~~, professional limited liability company *or professional registered limited liability partnership* registered under § 54.1-3902, the business office of which is identical with the registered office.

B. The sole duty of the registered agent is to forward to the limited liability company or foreign limited liability company at its last known address any notice that is served on the registered agent.

§ 13.1-1024. Management of a limited liability company by a manager or managers.

A. The articles of organization or an operating agreement of a limited liability company may delegate full or partial responsibility for managing a limited liability company to or among one or more managers.

B. Managers need not be residents of this Commonwealth or members of the limited liability company unless the articles of organization or an operating agreement so require. The articles of organization or an operating agreement may prescribe other qualifications for managers.

C. The number of managers shall be fixed by or in the manner provided in the articles of organization or an operating agreement. The number of managers may be increased or decreased by amendment to, or in the manner provided in, the articles of organization or an operating agreement.

D. ~~Managers~~ *Unless otherwise provided in the articles of organization or an operating agreement,* managers shall be elected by the members.

E. Unless otherwise provided in the articles of organization or an operating agreement, any vacancy occurring in the office of manager shall be filled by a majority vote of the members.

F. All managers or any lesser number may be removed in the manner provided in the articles of organization or an operating agreement. If the articles of organization or an operating agreement does not provide for the removal of managers, then all managers or any lesser number may be removed with or without cause by a majority vote of the members.

G. Unless otherwise provided in the articles of organization or an operating agreement, any action required or permitted to be taken by the managers of a limited liability company may be taken upon a majority vote of the managers.

§ 13.1-1031. Interim distributions.

Except as provided in this article, a member is entitled to receive distributions from a limited liability company ~~before his or its resignation from the limited liability company and~~ before the dissolution and winding up thereof to the extent and at the times or upon the happening of the events specified in the articles of organization or an operating agreement.

§ 13.1-1046. Dissolution; generally.

A limited liability company organized under this chapter is dissolved and its affairs shall be wound up upon the happening of the first to occur of the following events:

1. At the time or on the happening of the events specified in writing in the articles of organization or an operating agreement;

2. Upon the unanimous written consent of the members;

3. Except as otherwise provided in writing in the articles of organization or an operating agreement, upon the death, resignation, retirement, expulsion, bankruptcy, or dissolution of a member or occurrence of any other event that terminates the continued membership of a member in the limited liability company, unless within six months after the event ~~(i)~~ the limited liability company is continued by the

183 consent of a majority in interest of the remaining members of the limited liability company and (ii)
184 either there are at least two remaining members or a new member is admitted as provided in
185 § 13.1-1038.1; or

186 4. The entry of a decree of judicial dissolution under § 13.1-1047.

187 § 13.1-1049. Distribution of assets upon dissolution.

188 Upon the winding up of a limited liability company, the assets of the limited liability company shall
189 be distributed as follows:

190 1. To creditors, including members who are creditors, to the extent permitted by law, in satisfaction
191 of liabilities of the limited liability company other than for distributions to members under § 13.1-1031
192 or § 13.1-1033;

193 2. Unless otherwise provided in the articles of organization or an operating agreement, to members
194 and former members in satisfaction of liabilities for distributions under § 13.1-1031 or § 13.1-1033; and

195 3. Unless otherwise provided in the articles of organization or an operating agreement, to members
196 first for the return of their contributions and second with respect to their interests in the limited liability
197 company, in the proportions in which the members share in distributions.

198 § 13.1-1052. Registration.

199 Before transacting business in this Commonwealth, a foreign limited liability company shall register
200 with the Commission. In order to register, a foreign limited liability company shall deliver to the
201 Commission an application for registration as a foreign limited liability company on forms prescribed
202 and furnished by the Commission, executed by a person with authority to do so under the laws of the
203 state or other jurisdiction under which the foreign limited liability company is formed, and setting forth:

204 1. The name of the foreign limited liability company and, if different, the name under which it
205 proposes to register and transact business in this Commonwealth;

206 2. The state or other jurisdiction and date of its formation;

207 3. The post-office address, including the street number, if any, of the registered office of the foreign
208 limited liability company in this Commonwealth, the name of the city or county in which the registered
209 office is located, the name of the registered agent at such office and a statement that the registered
210 office and registered agent comply with the requirements of § 13.1-1015;

211 4. A statement that the clerk of the Commission is irrevocably appointed the agent of the foreign
212 limited liability company for service of process if no registered agent has been appointed under
213 subdivision 3 or, if appointed, the registered agent's authority has been revoked or if the registered agent
214 either has resigned or cannot be found or served with the exercise of reasonable diligence;

215 5. The address of the office required to be maintained in the state or other jurisdiction of its
216 formation by the laws of that state or jurisdiction or, if not so required, of the principal office of the
217 foreign limited liability company;

218 6. A copy of the articles of organization or other constituent documents filed in the foreign limited
219 liability company's state or other jurisdiction or of formation authorizing it to do business in that state or
220 other jurisdiction, duly authenticated by the proper office of the state or other jurisdiction of its
221 formation; and

222 7. A statement evidencing that the foreign limited liability company is a "foreign limited liability
223 company" as defined in § 13.1-1002.

224 § 13.1-1054. Name.

225 No certificate of registration shall be issued to a foreign limited liability company unless the name of
226 such limited liability company satisfies the requirements of § 13.1-1012. If the name of a limited
227 liability company does not satisfy the requirements of § 13.1-1012, to obtain or maintain a certificate of
228 registration:

229 1. The foreign limited liability company may add the words "limited company" or "limited liability
230 company," or their abbreviations "L.C." or "L.L.C.," "L.C.," "LC," "L.L.C." or "LLC," to its name for
231 use in this Commonwealth; or

232 2. If its real name is unavailable, the foreign limited liability company may use a designated name
233 that is available, and which satisfies the requirements of § 13.1-1012, if it informs the Commission of
234 the designated name.

235 § 13.1-1059. Transactions not constituting doing business.

236 A. The following activities of a foreign limited liability company, among others, do not constitute
237 transacting business within the meaning of this article:

238 1. Maintaining, defending, or settling any proceeding;

239 2. Holding meetings of its members or carrying on any other activities concerning its internal affairs;

240 3. Maintaining bank accounts;

241 4. Maintaining offices or agencies for the transfer, exchange and registration of the foreign limited
242 liability company's securities or maintaining trustees or depositories with respect to those securities;

243 5. Selling through independent contractors;

244 6. Soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if the

orders require acceptance outside this Commonwealth before they become contracts;

7. Creating or acquiring indebtedness, deeds of trust, and security interests in real or personal property;

8. Securing or collecting debts or enforcing deeds of trust and security ~~interest~~ *interests* in property securing the debts;

9. Owning, without more, real or personal property;

10. Conducting an isolated transaction that is completed within thirty days and that is not one in the course of repeated transactions of a like nature; or

11. For a period of less than ninety consecutive days, producing, directing, filming, crewing or acting in motion picture feature films, television series or commercials, or promotional films that are sent outside of the Commonwealth for processing, editing, marketing and distribution.

B. The term "transacting business" as used in this section shall have no effect on personal jurisdiction under § 8.01-328.1.

C. The list of activities in subsection A of this section is not exhaustive. This section does not apply in determining the contracts or activities that may subject a foreign limited liability company to service of process or taxation in this Commonwealth or to regulation under any other law of this Commonwealth.

§ 13.1-1102. Definitions.

A. As used in this chapter:

"Professional business entity" means (i) a professional limited liability company, (ii) a professional corporation within the meaning of § 13.1-543 B of Chapter 7 of Title 13.1, or (iii) a partnership (*including a professional registered limited liability partnership registered under § 54.1-3902*) each of the partners of which is duly licensed or otherwise legally authorized to render the same professional services as those for which the partnership was organized.

"Professional limited liability company" means (i) a limited liability company that is organized under this chapter for the sole and specific purpose of rendering professional service other than that of architects, professional engineers, land surveyors or certified landscape architects and, except as expressly otherwise permitted by this chapter, that has as its members only persons or professional business entities that themselves are duly licensed or otherwise legally authorized to render the same professional service as the professional limited liability company and of which members at least one is duly licensed or otherwise legally authorized to render such professional service within this Commonwealth; (ii) a limited liability company that is organized under this chapter for the sole and specific purpose of rendering professional service of architects, professional engineers, land surveyors or certified landscape architects, or any combination thereof, and at least two-thirds of whose membership interests are held by persons duly licensed or legally authorized within this Commonwealth to perform the services of an architect, professional engineer, land surveyor or certified landscape architect; or (iii) a limited liability company that is organized under this chapter for the sole and specific purpose of rendering the professional services of one or more practitioners of the healing arts, licensed under the provisions of Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, or one or more optometrists licensed under the provisions of Chapter 32 (§ 54.1-3200 et seq.) of Title 54.1, or one or more practitioners of the behavioral science professions, licensed under the provisions of Chapters 35 (§ 54.1-3500 et seq.), 36 (§ 54.1-3600 et seq.) or 37 (§ 54.1-3700 et seq.) of Title 54.1, or one or more practitioners of audiology or speech pathology, licensed under the provisions of Chapter 26 (§ 54.1-2600 et seq.) of Title 54.1, or one or more clinical nurse specialists who render mental health services licensed under Chapter 30 (§ 54.1-3000 et seq.) of Title 54.1 and registered with the Board of Nursing, or any combination of practitioners of the healing arts, of optometry, the behavioral science professions, and audiology or speech pathology and all of whose members are persons or professional business entities duly licensed or otherwise legally authorized to perform the services of a practitioner of the healing arts, optometry, the behavioral science professions or audiology or speech pathology or of a clinical nurse specialist who renders mental health services; however, nothing herein shall be construed so as to allow any member of the healing arts, optometry, the behavioral science professions, or audiology or speech pathology or a clinical nurse specialist to conduct that person's practice in a manner contrary to the standards of ethics of that person's branch of the healing arts, optometry, the behavioral science professions, or audiology or speech pathology, or nursing as the case may be.

"Professional services" means any type of personal service to the public that requires as a condition precedent to the rendering of that service or the use of that title the obtaining of a license, certification, or other legal authorization and shall be limited to the personal services rendered by pharmacists, optometrists, practitioners of the healing arts, practitioners of the behavioral science professions, veterinarians, surgeons, dentists, architects, professional engineers, land surveyors, certified landscape architects, public accountants, certified public accountants, attorneys at law, insurance consultants, audiologists or speech pathologists and clinical nurse specialists. For the purposes of this chapter, the

following shall be deemed to be rendering the same professional services:

1. Architects, professional engineers, and land surveyors; and
2. Practitioners of the healing arts, licensed under the provisions of Chapter 29 (§ 54.1-2900 et seq.) of Title 54.1, optometrists, licensed under the provisions of Chapter 32 (§ 54.1-3200 et seq.) of Title 54.1, and practitioners of the behavioral science professions, licensed under the provisions of Chapters 35 (§ 54.1-3500 et seq.), 36 (§ 54.1-3600 et seq.), and 37 (§ 54.1-3700 et seq.) of Title 54.1, and one or more clinical nurse specialists who render mental health services licensed under Chapter 30 (§ 54.1-3000 et seq.) of Title 54.1 and registered with the Board of Nursing.

B. Persons who practice the healing art of performing professional clinical laboratory services within a hospital pathology laboratory shall be legally authorized to do so for purposes of this chapter if such persons (i) hold a doctorate degree in the biological sciences or a board certification in the clinical laboratory sciences and (ii) are tenured faculty members of an accredited medical college or university that is an "educational institution" within the meaning of § 23-14.

C. Except as expressly otherwise provided, all terms defined in § 13.1-1002 shall have the same meanings for purposes of this chapter.

§ 13.1-1104. Use of initials "P.L.C.," "PLC," "P.L.L.C." or "PLLC" following company name.

Any professional limited liability company as defined in § 13.1-1102 may, but is not required to, use the initials "P.L.C." or "P.L.L.C.," "P.L.C.," "PLC," "P.L.L.C." or "PLLC," or the phrase "a professional limited company" or "a professional limited liability company," immediately after its limited liability company name in the place of any word or abbreviation required by § 13.1-1012 A, to indicate that the limited liability company is duly organized under, and subject to, the provisions of this chapter.

§ 13.1-1105. Certificate of authority for foreign professional limited liability company.

A. Notwithstanding any other provision of this chapter, a foreign professional limited liability company, organized under the laws of a jurisdiction other than the Commonwealth of Virginia to perform a professional service of the type defined in § 13.1-1102, may apply for and obtain a certificate of authority to render those professional services in Virginia on the following terms and conditions:

1. Only members, managers, employees, and agents licensed or otherwise legally qualified by this Commonwealth may perform the professional service in Virginia.

2. The professional limited liability company must meet every requirement of this chapter except for the requirement that all of its members and managers be licensed to perform the professional service in this Commonwealth.

3. The powers of any foreign professional limited liability company admitted under this section shall not exceed the powers permitted to domestic professional limited liability companies under this chapter.

B. In order to qualify, a foreign professional limited liability company shall make application to the Commission as provided in § 13.1-1052 and shall make the application for and secure a *any* certificate of authority as, *registration or registration certificate* may be required by §§13.1-1111, *13.1-1112 or 13.1-1113* and, in addition, shall be required to set forth the name and address of each member, manager, employee, and agent of the limited liability company who will be providing the professional service in this Commonwealth and whether those members, managers, employees, and agents are licensed, or otherwise legally qualified, to perform the professional service in Virginia.

§ 13.1-1110. Professional limited liability company not to engage in other business; investment of funds.

No professional limited liability company organized under this chapter may engage in any business other than the rendering of the professional services for which it was specifically ~~incorporated~~ *organized*; however, nothing in this chapter or in any other provisions of existing law applicable to limited liability companies shall be interpreted to prohibit that limited liability company from investing its funds in real estate, mortgages, stocks, bonds or any other type of investments, from owning real or personal property, or from exercising any other investment power granted to limited liability companies under this title and not in conflict with the provisions of this chapter.

§ 13.1-1117. Conversion into nonprofessional company; disposition of membership interests of deceased or disqualified members.

A. A professional limited liability company organized under this chapter shall continue until dissolved in accordance with other provisions of this chapter or the provisions of Article 9 (§ 13.1-1046 et seq.) of Chapter 12 of this title.

B. Whenever all members of a professional limited liability company licensed under this chapter cease at any one time and for any reason to be licensed, certified or registered in the particular field of endeavor for which the professional limited liability company was organized, or by the vote of the holders of at least two-thirds of its membership interests, the professional limited liability company thereupon shall be treated as converted into, and shall operate henceforth solely as, a limited liability company under applicable provisions of this title, exclusive of this chapter, but may be reconverted upon removal of the disability or by the vote of the holders of at least two-thirds of its membership interests.

C. ~~Within one year following~~ *Following* the occurrence of any event, including a disqualification that

terminates membership as provided in § 13.1-1116, that terminates the continued membership of a member in a professional limited liability company, if the professional limited liability company has been continued as provided in § 13.1-1046, then the limited liability company shall pay to the former member or his or its successor in interest the book value of the interest of the former member. *The time of payment and value of the interest of the former member shall be determined in the manner provided in writing in the articles of organization or an operating agreement of the limited liability company, and to the extent not so provided in the articles of organization or an operating agreement, the payment shall be made within one year following the occurrence of the event that terminates the former member's membership and for the book value of the interest, determined as of the end of the month immediately preceding the event that terminated the membership of the former member. The If applicable, the book value shall be determined from the books and records of the limited liability company in accordance with the generally accepted accounting principles on the accrual method of accounting. No subsequent adjustment of this book value, whether by the limited liability company itself, by federal income tax audit made and agreed to, or by a court decision which has become final, shall alter the amount of the payment to be made. Nothing contained in this section shall prevent the parties involved from making any other arrangement or provision in the articles of organization, operating agreement or by contract to make a payment other than of book value in respect of the membership interest, or to assign the membership interest of a former member to persons or professional business entities qualified to own the membership interest, provided that within the one-year period herein specified, the required payment shall be made or the membership interest involved shall have been assigned.*

§ 13.1-1121. Consolidation and merger.

A professional limited liability company operating pursuant to the terms of this chapter may consolidate or merge with another corporation, limited liability company, or partnership only if the surviving corporation, limited liability company, or partnership is a professional corporation, a professional limited liability company, or a partnership, all of the partners of which are professional corporations, professional limited liability companies, or individuals duly licensed or otherwise legally authorized to render the same professional services as those for which the surviving professional corporation, professional limited liability company or partnership was incorporated *or organized*.

§ 50-73.11:1. Conversion of general partnership to limited partnership.

A. A general partnership ~~formed under~~ *governed by* the provisions of Chapter 4 (~~§ 50-1 et seq.~~) of this title may convert to a limited partnership by filing a certificate of limited partnership that meets the requirements of § 50-73.11 and includes the following:

1. The name of the former general partnership; and
2. The date and place of filing of the initial certificate of partnership of the former general partnership.

B. The terms and conditions of a conversion of a general partnership to a limited partnership shall be approved by the partners in the manner provided in the partnership's partnership agreement for amendments to the partnership agreement or, if no such provision is made in a partnership agreement, by all the partners.

C. A general partner who becomes a limited partner as a result of the conversion remains liable as a general partner for an obligation incurred by the partnership before the conversion takes effect. The general partner's liability for all obligations of the limited partnership incurred after the conversion takes effect is that of a limited partner, as provided in this chapter.

§ 64.1-48. Advertisements to draw wills prohibited.

No person, firm or corporation shall advertise in any newspaper any offer, direct or indirect, to draw any will or have any will drawn, provided that the provisions of this section shall not apply to a duly licensed attorney-at-law, partnership composed of duly licensed attorneys-at-law or a professional corporation *or professional limited liability company* incorporated *or organized* for the practice of law so long as such attorney, partnership or professional corporation conducts such advertisement in accordance with the Rules of Court promulgated by the Supreme Court of Virginia.

Any violation of this section shall constitute a misdemeanor and be punished by a fine not exceeding \$500.