

**489.1033 Approval of interest exchange.**

1. A plan of interest exchange is not effective unless it has been approved according to all of the following:

a. By all the members of a domestic acquired limited liability company entitled to vote on or consent to any matter.

b. In a record, by each member of the domestic acquired limited liability company that will have interest holder liability for debts, obligations, and other liabilities that are incurred after the interest exchange becomes effective, unless all of the following apply:

(1) The operating agreement of the limited liability company provides in a record for the approval of an interest exchange or a merger in which some or all of its members become subject to interest holder liability by the affirmative vote or consent of fewer than all the members.

(2) The member consented in a record to or voted for that provision of the operating agreement or became a member after the adoption of that provision.

2. An interest exchange involving a domestic acquired entity that is not a limited liability company is not effective unless it is approved by the domestic entity in accordance with its organic law.

3. An interest exchange involving a foreign acquired entity is not effective unless it is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.

4. Except as otherwise provided in its organic law or organic rules, the interest holders of the acquiring entity are not required to approve the interest exchange.

[2023 Acts, ch 152, §95, 161](#)

Referred to in [§489.105](#)