

## NRR-PMDAPEm Resource

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**From:** NORRIS, GREGORY P [GNORRIS@entergy.com]  
**Sent:** Monday, July 06, 2015 2:07 PM  
**To:** Wang, Alan  
**Cc:** DAVANT, GUY H  
**Subject:** [External\_Sender] Follow-up to call with NRC  
**Attachments:** TXBOC Sec. 10.106.(1) - Effect of Conversion.docx; Conversion La. R.S. § 12.1308.3 (2015).doc

The December 31, 2014 letters (ML14365A404 and ML14365A405) sent to the NRC by Entergy only reference the applicable section of the Texas Business Organizations Code regarding the effect of conversions. Since EGSH and ELH were converting from Texas corporations to Texas limited liability companies, only Texas law applied.

Since EGSL is a Louisiana limited liability company converting to a Texas limited liability company, the laws of Louisiana and Texas apply to the conversion. Section 12:1308.3.F(1) of the Louisiana Revised Statutes states:

F. Upon receipt of the certificate of conversion from the secretary of state, and after compliance as applicable with the laws of the other state:

(1) A domestic limited liability company converting its state of organization from this state to another state shall be deemed to be organized solely under the laws of such other state and no longer under the laws of this state.

**The limited liability company shall continue to exist without interruption in its organizational form.** All rights, title, interests, obligations, and liabilities of the limited liability company shall continue in the limited liability company without impairment, diminution, or termination. Any proceeding pending by or against the limited liability company or its members or managers, in their capacities as such, may be continued by or against the limited liability company without the need for substituting a new party to such proceeding as a result of any conversion of the state of organization as authorized in this Section. The limited liability company shall be deemed to have appointed the secretary of state in this state as its agent for service of process in any proceeding to enforce any liability or obligation against the limited liability company arising or existing prior to the effective time of the conversion of the state of organization.

Section 10.106(1) of the Texas Business Organizations Code, as cited in the December 31, 2014 letters, applies for Texas law purposes. Section 10.106(1) states:

(1) **the converting entity continues to exist without interruption in the organizational form** of the converted entity rather than in the organizational form of the converting entity;

Additionally, here is a link to the TXBOC on the Texas Secretary of State's website:

<http://www.statutes.legis.state.tx.us/Docs/BO/htm/BO.10.htm#10.106>.

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**Hearing Identifier:** NRR\_PMDA  
**Email Number:** 2200

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**Subject:** [External\_Sender] Follow-up to call with NRC  
**Sent Date:** 7/6/2015 2:06:53 PM  
**Received Date:** 7/6/2015 2:07:02 PM  
**From:** NORRIS, GREGORY P

**Created By:** GNORRIS@entergy.com

**Recipients:**  
"DAVANT, GUY H" <GDAVANT@entergy.com>  
Tracking Status: None  
"Wang, Alan" <Alan.Wang@nrc.gov>  
Tracking Status: None

**Post Office:** LITXMETSP003.etrssouth.corp.entergy.com

Files	Size	Date & Time
MESSAGE	2680	7/6/2015 2:07:02 PM
TXBOC Sec. 10.106.(1) - Effect of Conversion.docx		21607
Conversion La. R.S. § 12.1308.3 (2015).doc		96310

**Options**  
**Priority:** Standard  
**Return Notification:** No  
**Reply Requested:** No  
**Sensitivity:** Normal  
**Expiration Date:**  
**Recipients Received:**

Sec. 10.106.GENERAL EFFECT OF CONVERSION. When a conversion takes effect:

(1) the converting entity continues to exist without interruption in the organizational form of the converted entity rather than in the organizational form of the converting entity;

(2) all rights, title, and interests to all property owned by the converting entity continues to be owned, subject to any existing liens or other encumbrances on the property, by the converted entity in the new organizational form without:

(A) reversion or impairment;

(B) further act or deed; or

(C) any transfer or assignment having occurred;

(3) all liabilities and obligations of the converting entity continue to be liabilities and obligations of the converted entity in the new organizational form without impairment or diminution because of the conversion;

(4) the rights of creditors or other parties with respect to or against the previous owners or members of the converting entity in their capacities as owners or members in existence when the conversion takes effect continue to exist as to those liabilities and obligations and may be enforced by the creditors and obligees as if a conversion had not occurred;

(5) a proceeding pending by or against the converting entity or by or against any of the converting entity's owners or members in their capacities as owners or members may be continued by or against the converted entity in the new organizational form and by or against the previous owners or members without a need for substituting a party;

(6) the ownership or membership interests of the converting entity that are to be converted into ownership or membership interests of the converted entity as provided in the plan of conversion are converted as provided by the plan, and if the converting entity is a domestic entity, the former owners or members of the domestic entity are entitled only to the rights provided in the plan of conversion or a right of dissent and appraisal under this code;

(7) if, after the conversion takes effect, an owner or member of the converted entity as an owner or member is liable for the liabilities or obligations of the converted entity, the owner or member is liable for the liabilities and obligations of the converting entity that existed before the conversion took effect only to the extent that the owner or member:

(A) agrees in writing to be liable for the liabilities or obligations;

(B) was liable, before the conversion took effect, for the liabilities or obligations; or

(C) by becoming an owner or member of the converted entity, becomes liable under other applicable law for the existing liabilities and obligations of the converted entity; and

(8) if the converted entity is a non-code organization, the converted entity is considered to have:

(A) appointed the secretary of state in this state as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting owners or members of the converting domestic entity; and

(B) agreed that the converted entity will promptly pay the dissenting owners or members of the converting domestic entity the amount, if any, to which they are entitled under this code.

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. Jan. 1, 2006.

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Research Information

**Service:** Terms and Connectors Search  
**Print Request:** Current Document: 2  
**Source:** LA - LexisNexis® Louisiana Annotated Statutes  
**Search Terms:** conversion

**Send to:** Cerise, Joseph  
ENTERGY SERVICES INC  
649 LOYOLA AVE  
NEW ORLEANS, LA 70113-3121



2 of 3 DOCUMENTS

LexisNexis(R) Louisiana Annotated Statutes  
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\*\*\* This document is current through the 2014 Regular Session. \*\*\*

Louisiana Revised Statutes  
Title 12. Corporations and associations  
Chapter 22. Limited liability companies  
Part 2. Formation

**GO TO LOUISIANA STATUTES ARCHIVE DIRECTORY**

La. R.S. § 12:1308.3 (2015)

**§ 12:1308.3. Conversion of state of organization.**

**A.** Unless prohibited by the laws of the other state, a domestic limited liability company may convert its state of organization from this state to any other state, and a foreign limited liability company may convert its state of organization from any other state to this state.

**B.** Such conversion may be made by a limited liability company only pursuant to this Section and only after authorization by a majority of the members, or by such larger vote as the articles of organization or an operating agreement may require.

**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. Such request shall contain all of the following:

(1) The name of the limited liability company, which shall comply with the provisions of R.S. 12:1306.

(2) The full name and municipal address of either each current manager of the limited liability company, if management of the limited liability company is vested in one or more managers, or of each of the current members, if management of the limited liability company is reserved to the members.

(3) A statement, as appropriate, that the limited liability company is converting its state of organization from another named state to this state and is continuing its existence in and under the laws of this state, or is converting its state of organization from this state to another named state and is continuing its existence in and under the laws of such other named state.

(4) A statement that a majority of the members, or such larger vote as the articles of organization or the operating agreement may require, has approved the conversion of the state of organization.

(5) The manner and basis of converting the interests of the members of the limited liability company into the interests of the members in the converted limited liability company.

(6) A statement that the limited liability company, in changing its state of organization, has complied with the laws and requirements of both the prior and new state of organization.

(7) Any other provision, attachment, or exhibit, not inconsistent with law, that the members elect to set forth or include in the certificate of conversion.

(8) If the limited liability company is converting its state of organization from another state to this state:

(a) The location and municipal street address, if any, of the limited liability company's registered office. An address consisting of a post office box alone is insufficient.

(b) The location and municipal street address, if any, of each of the limited liability company's registered agents, together with a notarized affidavit of acknowledgment and acceptance signed by each such agent. An address consisting of a post office box alone is insufficient.

D. The request for conversion may be delivered to the secretary of state for filing as of any specified date, and, if specified upon such delivery, as of any given time on such date, within thirty days after the date of delivery.

E. If the secretary of state finds that the request for conversion is in compliance with the provisions of this Section, and after all fees have been paid as required by law, the secretary of state shall record in his office the request for conversion and any attachments or exhibits thereto, after endorsing thereon the date and, if requested, the hour of filing. Thereafter, the secretary of state shall either issue to the limited liability company a certificate of conversion, reciting that such limited liability company has complied with the requirements of this state for converting its state of organization, or advise the limited liability company with reasons why it has denied the request for conversion.

F. Upon receipt of the certificate of conversion from the secretary of state, and after compliance as applicable with the laws of the other state:

(1) A domestic limited liability company converting its state of organization from this state to another state shall be deemed to be organized solely under the laws of such other state and no longer under the laws of this state. The limited liability company shall continue to exist without interruption in its organizational form. All rights, title, interests, obligations, and liabilities of the limited liability company shall continue in the limited liability company without impairment, diminution, or termination. Any proceeding pending by or against the limited liability company or its members or managers, in their capacities as such, may be continued by or against the limited liability company without the need for substituting a new party to such proceeding as a result of any conversion of the state of organization as authorized in this Section. The limited liability company shall be deemed to have appointed the secretary of state in this state as its agent for service of process in any proceeding to enforce any liability or obligation against the limited liability company arising or existing prior to the effective time of the conversion of the state of organization.

(2) A foreign limited liability company converting its state of organization from another state to this state shall be deemed to be organized solely under the laws of this state and no longer under the laws of such other state. The limited liability company shall continue to exist without interruption in its organizational form. All rights, title, interests, obligations, and liabilities of the limited liability company shall continue in the limited liability company without impairment, diminution, or termination. Any proceeding pending by or against the limited liability company or its members or managers, in their capacities as such, may be



continued by or against the limited liability company without the need for substituting a new party to such proceeding as a result of a change of the state of organization authorized under this Section. The certificate of conversion issued by the secretary of state shall be conclusive evidence of the fact that the limited liability company has been duly organized under the laws of this state, except that in any proceeding brought by the state to annul, forfeit, or vacate a company's franchise, the certificate of conversion shall be only prima facie evidence of due organization.

**G.** In addition to the other requirements of this Section, a domestic limited liability company converting its state of organization from this state to another state shall also file with the secretary of state a certified copy of the certificate of organization or other official certificate obtained by it from the other state evidencing the company's organization under the laws of such state. Such certified copy shall be filed with the secretary of state not later than thirty days after issuance of the official certificate evidencing the company's organization under the laws of the other state.

**HISTORY:** Acts 2012, No. 476, § 1, eff. Jan. 1, 2013.

**NOTES:**

LexisNexis (R) Notes:

Amendment Notes

LSLI 2012 Amendments. --

In accordance with the revision authority set forth in R.S. 24:201 et seq., the Louisiana State Law Institute capitalized "The" at the beginnings of Subparagraphs (C)(8)(a) and (b), and changed every instance of "Louisiana Secretary of State" to "secretary of state" in R.S. 12:1308.3, as enacted by Acts 2012, No. 476, § 1.

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\*\*\*\*\* Print Completed \*\*\*\*\*

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