

CHAPTER 28

CORPORATIONS AND ASSOCIATIONS

HOUSE BILL 15-1071

BY REPRESENTATIVE(S) Keyser, Kraft-Tharp, Szabo;
also SENATOR(S) Hill, Crowder.

AN ACT

CONCERNING CLARIFICATION THAT, FOLLOWING A MERGER OF ENTITIES, THE SURVIVING ENTITY IS ENTITLED TO CONTROL THE PREMERGER ATTORNEY-CLIENT PRIVILEGES OF A CONSTITUENT ENTITY.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 7-90-204, **amend** (1) (a) as follows:

7-90-204. Effect of merger. (1) When a merger is effective:

(a) Every merging entity merges into the surviving entity and the separate existence of every merging entity ceases. All of the rights, privileges, INCLUDING SPECIFICALLY THE ATTORNEY-CLIENT PRIVILEGE, and powers of each of the merging entities, all real, personal, and mixed property, and all obligations due to each of the merging entities, as well as all other things and causes of action of each of the merging entities, ~~shall~~ vest as a matter of law in the surviving entity and ~~shall~~ ARE thereafter ~~be~~ the rights, privileges, powers, and property of, and obligations due to, the surviving entity. Title to any property vested in any of the merging entities ~~shall~~ DOES not revert, ~~or be~~ AND IS NOT in any way impaired by reason of the merger; except that all rights of creditors in and all liens upon any property of any of the merging entities ~~shall be~~ ARE preserved unimpaired in the same property, however held. All obligations of the merging entities ~~shall~~ attach as a matter of law to the surviving entity and may be fully enforced against the surviving entity. A merger does not constitute a conveyance, transfer, SALE OF ASSETS, or assignment. Nothing in this section affects the validity of contract provisions or of reversions or other forms of title limitations that attach conditions or consequences specifically to mergers.

SECTION 2. Act subject to petition - effective date - applicability. (1) This

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

act takes effect September 1, 2015; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to conduct occurring before, on, or after the applicable effective date of this act.

Approved: March 18, 2015