

CORPORATE CONVERSIONS A public benefit corporation that has any assets cannot convert its corporate form to a mutual benefit corporation, business corporation, social purpose corporation, or cooperative corporation unless written consent of the Attorney General has been obtained. The Attorney General requires certification that all charitable assets will be transferred to another charity as a condition to consent. Likewise, if a mutual benefit corporation holds charitable assets, notice of the transaction should be submitted to the Attorney General. Any public benefit corporation or mutual benefit corporation with charitable assets applying for approval of corporate conversion should submit the following information to the Attorney General:

1. A letter signed by an attorney or director of the corporation setting forth a description of the proposed action, and the material facts concerning the proposed action.
2. A copy of the resolution of the board of directors authorizing the proposed action, and board meeting minutes reflecting discussion of the proposed action.
3. A copy of the corporation's current financial statement.
4. Copies of the current version of the corporation's articles of incorporation, and copies of the proposed restated articles of incorporation.
5. Any independent appraisals of the value of charitable assets (in complex conversions of a large corporation, the Attorney General usually requires independent valuation appraisals or other evidence that the transaction is fair and reasonable to the corporation).
6. A statement of the plan for distribution of the assets of the charitable assets to a qualified charitable organization.