ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

STATEMENT TO

# ASSEMBLY, No. 4932

with committee amendments

# STATE OF NEW JERSEY

DATED: MARCH 8, 2021

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 4932.

As amended, this bill amends current law to permit the registration and use of alternate names by limited liability partnerships and clarifies that limited liability partnerships may not use alternate names prohibited by applicable law governing specific professions, services, or commercial activities.

Specifically, the bill provides that domestic limited liability partnerships and foreign limited liability partnerships may conduct activities in this State using an alternate name, including an abbreviation of its name or an acronym only if the limited liability partnership:

(1) also uses its actual name in the transaction of any of its activities in a manner as not to be deceptive as to its actual identity; or

(2) has first registered the alternate name.

The bill provides that limited liability partnerships may adopt and use alternate names by filing an original and a copy of a certificate of registration of alternate name with the State Treasurer executed on behalf of the limited liability partnership. The certificate is required to provide certain information concerning the limited liability partnership and its use of the alternate name.

The bill provides that the registration is effective for five years from the date of filing and may be renewed successively for additional five-year periods.

The bill clarifies that it does not:

(1) grant to the registrant of an alternate name any right in the name as against any prior or subsequent user of the name, regardless of whether used as a trademark, trade name, business name or corporate name;

(2) interfere with the power of any court to enjoin the use of the name on the basis of the law of unfair competition or on any other basis except the identity or similarity of the alternate name to any other corporate or limited liability partnership name.

(3) permit the use of an alternate name in violation of any applicable federal, state, or local statute, regulation, ordinance, or rule of professional conduct, responsibility or ethics governing any profession, service, or commercial activity; or

(4) repeal, modify, preempt, or otherwise affect the enforceability and validity of any state, or local statute, regulation, ordinance, or rule of professional conduct, responsibility or ethics governing any profession, service, or commercial activity.

The bill requires a limited liability partnership which has used an alternate name in this State, upon filing a certificate of registration of alternate name or an untimely certificate of renewal, to pay to the State Treasurer the filing fee prescribed for the certificate plus an additional filing fee equal to the full amount of the regular filing fee multiplied by the number of years it has been using the alternate name in violation of the bill after it goes into effect.

The bill provides that the failure of a limited liability partnership to file a certificate of registration or renewal of an alternate name does not impair the validity of any contract or act of the limited liability partnership and does not prevent the limited liability partnership from defending any action or proceeding in any court of this State, but the limited liability partnership may not maintain any action or proceeding in any court of this State arising out of a contract or act in which it used the alternate name until it has filed the certificate.

The bill provides that a limited liability partnership which should have filed a certificate of registration or renewal of alternate name and fails to do so within 60 days prior to the date of expiration of the registration or 90 days after having been notified by any person aggrieved by its failure to do so, is required to forfeit to the State a penalty of not less than $200 and not more than $500.

As amended and reported, this bill is identical to Senate Bill No. 3066 (1R).

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) provide that the registration of alternate name for a limited liability partnership may be renewed within 60 days, rather than 90 days, prior to the date of expiration of the registration;

(2) provide that a limited liability partnership may face certain penalties if it fails to file a required certificate of registration or renewal of alternate name within 60 days prior to the date of expiration of the registration, or 90 days after having been notified by certain persons; and

(3) make certain technical changes to the bill.