

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u>    </u>	(Y/N)
ADOPTED AS AMENDED	<u>    </u>	(Y/N)
ADOPTED W/O OBJECTION	<u>    </u>	(Y/N)
FAILED TO ADOPT	<u>    </u>	(Y/N)
WITHDRAWN	<u>    </u>	(Y/N)
OTHER	<u>    </u>	

1 Committee/Subcommittee hearing bill: Appropriations Committee  
 2 Representative McBurney offered the following:

**Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6 Section 1. The Division of Law Revision and Information is  
 7 directed to entitle chapter 605, Florida Statutes, as the  
 8 "Florida Revised Limited Liability Company Act."

9 Section 2. Chapter 605, Florida Statutes, consisting of  
 10 sections 605.0101-605.1108, Florida Statutes, is created to  
 11 read:

12 605.0101 Short title.—Sections 605.0101-605.1108 may be  
 13 cited as the "Florida Revised Limited Liability Company Act."

14 605.0102 Definitions.—As used in this chapter, the term:

15 (1) "Acquired entity" means the entity that has all of one  
 16 or more of its classes or series of interests acquired in an  
 17 interest exchange.

18 (2) "Acquiring entity" means the entity that acquires all  
 19 of one or more classes or series of interests of the acquired  
 20 entity in an interest exchange.

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21 (3) "Articles of conversion" means the articles of  
22 conversion required under s. 605.1045. The term includes the  
23 articles of conversion as amended or restated.

24 (4) "Articles of domestication" means the articles of  
25 domestication required under s. 605.1055. The term includes the  
26 articles of domestication as amended or restated.

27 (5) "Articles of interest exchange" means the articles of  
28 interest exchange required under s. 605.1035. The term includes  
29 the articles of interest exchange as amended or restated.

30 (6) "Articles of merger" means the articles of merger  
31 required under s. 605.1025. The term includes the articles of  
32 merger as amended or restated.

33 (7) "Articles of organization" means the articles of  
34 organization required under s. 605.0201. The term includes the  
35 articles of organization as amended or restated.

36 (8) "Authorized representative" means:

37 (a) In the case of the formation of a limited liability  
38 company, a person authorized by a prospective member of the  
39 limited liability company to form the company by executing and  
40 filing its articles of organization with the department.

41 (b) In the case of an existing limited liability company,  
42 with respect to the execution and filing of a record with the  
43 department or taking any other action required or authorized  
44 under this chapter:

45 1. A manager of a manager-managed limited liability  
46 company who is authorized to do so;

47 2. A member of a member-managed limited liability company  
48 who is authorized to do so; or

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49 3. An agent or officer of the limited liability company  
50 who is granted the authority to do so by such a manager or such  
51 a member, pursuant to the operating agreement of the limited  
52 liability company or pursuant to s. 605.0709.

53 (c) In the case of a foreign limited liability company or  
54 another entity, with respect to the execution and filing of a  
55 record with the department or taking any other action required  
56 or authorized under this chapter, a person who is authorized to  
57 file the record or take the action on behalf of the foreign  
58 limited liability company or other entity.

59 (9) "Business day" means Monday through Friday, excluding  
60 any day that a national banking association is not open for  
61 normal business transactions.

62 (10) "Contribution," except in the phrase "right of  
63 contribution," means property or a benefit described in s.  
64 605.0402 which is provided by a person to a limited liability  
65 company to become a member or which is provided in the person's  
66 capacity as a member.

67 (11) "Conversion" means a transaction authorized under ss.  
68 605.1041-605.1046.

69 (12) "Converted entity" means the converting entity as it  
70 continues in existence after a conversion.

71 (13) "Converting entity" means the domestic entity that  
72 approves a plan of conversion pursuant to s. 605.1043 or the  
73 foreign entity that approves a conversion pursuant to the  
74 organic law of its jurisdiction of formation.

75 (14) "Day" means a calendar day.

76 (15) "Debtor in bankruptcy" means a person who is the

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77 subject of:

78 (a) An order for relief under Title 11 of the United  
79 States Code or a successor statute of general application; or

80 (b) A comparable order under federal, state, or foreign  
81 law governing insolvency.

82 (16) "Department" means the Department of State.

83 (17) "Distribution" means a transfer of money or other  
84 property from a limited liability company to a person on account  
85 of a transferable interest or in the person's capacity as a  
86 member.

87 (a) The term includes:

88 1. A redemption or other purchase by a limited liability  
89 company of a transferable interest.

90 2. A transfer to a member in return for the member's  
91 relinquishment of any right to participate as a member in the  
92 management or conduct of the company's activities and affairs or  
93 a relinquishment of a right to have access to records or other  
94 information concerning the company's activities and affairs.

95 (b) The term does not include amounts constituting  
96 reasonable compensation for present or past service or payments  
97 made in the ordinary course of business under a bona fide  
98 retirement plan or other bona fide benefits program.

99 (18) "Distributional interest" means the right under an  
100 unincorporated entity's organic law and organic rules to receive  
101 distributions from the entity.

102 (19) "Domestic," with respect to an entity, means an  
103 entity whose jurisdiction of formation is this state.

104 (20) "Domesticated limited liability company" means the

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105 domesticating entity as it continues in existence after a  
106 domestication.

107 (21) "Domesticating entity" means a non-United States  
108 entity that approves a domestication pursuant to the law of its  
109 jurisdiction of formation.

110 (22) "Domestication" means a transaction authorized under  
111 ss. 605.1051-605.1056.

112 (23) (a) "Entity" means:

113 1. A business corporation;

114 2. A nonprofit corporation;

115 3. A general partnership, including a limited liability  
116 partnership;

117 4. A limited partnership, including a limited liability  
118 limited partnership;

119 5. A limited liability company;

120 6. A real estate investment trust; or

121 7. Any other domestic or foreign entity that is organized  
122 under an organic law.

123 (b) "Entity" does not include:

124 1. An individual;

125 2. A trust with a predominantly donative purpose or a  
126 charitable trust;

127 3. An association or relationship that is not a  
128 partnership solely by reason of s. 620.8202(3) or a similar  
129 provision of the law of another jurisdiction;

130 4. A decedent's estate; or

131 5. A government or a governmental subdivision, agency, or  
132 instrumentality.

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133 (24) "Filing entity" means an entity whose formation  
134 requires the filing of a public organic record.

135 (25) "Foreign," with respect to an entity, means an entity  
136 whose jurisdiction of formation is a jurisdiction other than  
137 this state.

138 (26) "Foreign limited liability company" means an  
139 unincorporated entity that was formed in a jurisdiction other  
140 than this state and is denominated by that law as a limited  
141 liability company.

142 (27) "Governance interest" means a right under the organic  
143 law or organic rules of an unincorporated entity, other than as  
144 a governor, agent, assignee, or proxy, to:

145 (a) Receive or demand access to information concerning an  
146 entity or its books and records;

147 (b) Vote for or consent to the election of the governors  
148 of the entity; or

149 (c) Receive notice of, vote on, or consent to an issue  
150 involving the internal affairs of the entity.

151 (28) "Governor" means:

152 (a) A director of a business corporation;

153 (b) A director or trustee of a nonprofit corporation;

154 (c) A general partner of a general partnership;

155 (d) A general partner of a limited partnership;

156 (e) A manager of a manager-managed limited liability  
157 company;

158 (f) A member of a member-managed limited liability  
159 company;

160 (g) A director or a trustee of a real estate investment

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161 trust; or

162 (h) Any other person under whose authority the powers of  
163 an entity are exercised and under whose direction the activities  
164 and affairs of the entity are managed pursuant to the organic  
165 law and organic rules of the entity.

166 (29) "Interest" means:

167 (a) A share in a business corporation;

168 (b) A membership in a nonprofit corporation;

169 (c) A partnership interest in a general partnership;

170 (d) A partnership interest in a limited partnership;

171 (e) A membership interest in a limited liability company;

172 (f) A share or beneficial interest in a real estate  
173 investment trust;

174 (g) A member's interest in a limited cooperative  
175 association;

176 (h) A beneficial interest in a statutory trust, business  
177 trust, or common law business trust; or

178 (i) A governance interest or distributional interest in  
179 another entity.

180 (30) "Interest exchange" means a transaction authorized  
181 under ss. 605.1031-605.1036.

182 (31) "Interest holder" means:

183 (a) A shareholder of a business corporation;

184 (b) A member of a nonprofit corporation;

185 (c) A general partner of a general partnership;

186 (d) A general partner of a limited partnership;

187 (e) A limited partner of a limited partnership;

188 (f) A member of a limited liability company;

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189 (g) A shareholder or beneficial owner of a real estate  
190 investment trust;

191 (h) A beneficiary or beneficial owner of a statutory  
192 trust, business trust, or common law business trust; or

193 (i) Another direct holder of an interest.

194 (32) "Interest holder liability" means:

195 (a) Personal liability for a liability of an entity which  
196 is imposed on a person:

197 1. Solely by reason of the status of the person as an  
198 interest holder; or

199 2. By the organic rules of the entity which make one or  
200 more specified interest holders or categories of interest  
201 holders liable in their capacity as interest holders for all or  
202 specified liabilities of the entity.

203 (b) An obligation of an interest holder under the organic  
204 rules of an entity to contribute to the entity.

205 (33) "Jurisdiction," if used to refer to a political  
206 entity, means the United States, a state, a foreign country, or  
207 a political subdivision of a foreign country.

208 (34) "Jurisdiction of formation" means, with respect to an  
209 entity:

210 (a) The jurisdiction under whose organic law the entity is  
211 formed, incorporated, or created or otherwise comes into being;  
212 however, for these purposes, if an entity exists under the law  
213 of a jurisdiction different from the jurisdiction under which  
214 the entity originally was formed, incorporated, or created or  
215 otherwise came into being, then the jurisdiction under which the  
216 entity then exists is treated as the jurisdiction of formation;



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217 or

218 (b) In the case of a limited liability partnership or  
219 foreign limited liability partnership, the jurisdiction in which  
220 the partnership's statement of qualification or equivalent  
221 document is filed.

222 (35) "Legal representative" means, with respect to a  
223 natural person, the personal representative, executor, guardian,  
224 or conservator or any other person who is empowered by  
225 applicable law with the authority to act on behalf of the  
226 natural person, and, with respect to a person other than a  
227 natural person, a person who is empowered by applicable law with  
228 the authority to act on behalf of the person.

229 (36) "Limited liability company" or "company," except in  
230 the phrase "foreign limited liability company," means an entity  
231 formed or existing under this chapter or an entity that becomes  
232 subject to this chapter pursuant to ss. 605.1001-605.1072.

233 (37) "Majority-in-interest" means those members who hold  
234 more than 50 percent of the then-current percentage or other  
235 interest in the profits of the limited liability company and who  
236 have the right to vote; however, as used in ss. 605.1001-  
237 605.1072, the term means:

238 (a) In the case of a limited liability company with only  
239 one class or series of members, the holders of more than 50  
240 percent of the then-current percentage or other interest in the  
241 profits of the company who have the right to approve a merger,  
242 interest exchange, or conversion under the organic law or the  
243 organic rules of the company; and

244 (b) In the case of a limited liability company having more

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245 than one class or series of members, the holders in each class  
246 or series of more than 50 percent of the then-current percentage  
247 or other interest in the profits of that class or series who  
248 have the right to approve a merger, interest exchange, or  
249 conversion under the organic law or the organic rules of the  
250 company, unless the company's organic rules provide for the  
251 approval of the transaction in a different manner.

252 (38) "Manager" means a person who, under the operating  
253 agreement of a manager-managed limited liability company, is  
254 responsible, alone or in concert with others, for performing the  
255 management functions stated in ss. 605.0407(3) and 605.04073(2).

256 (39) "Manager-managed limited liability company" means a  
257 limited liability company that is manager-managed by virtue of  
258 the operation of s. 605.0407(1).

259 (40) "Member" means a person who:

260 (a) Is a member of a limited liability company under s.  
261 605.0401 or was a member in a company when the company became  
262 subject to this chapter; and

263 (b) Has not dissociated from the company under s.  
264 605.0602.

265 (41) "Member-managed limited liability company" means a  
266 limited liability company that is not a manager-managed limited  
267 liability company.

268 (42) "Merger" means a transaction authorized under ss.  
269 605.1021-605.1026.

270 (43) "Merging entity" means an entity that is a party to a  
271 merger and exists immediately before the merger becomes  
272 effective.

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273 (44) "Non-United States entity" means a foreign entity  
274 other than an entity with a jurisdiction of formation that is  
275 not a state.

276 (45) "Operating agreement" means an agreement, whether  
277 referred to as an operating agreement or not, which may be oral,  
278 implied, in a record, or in any combination thereof, of the  
279 members of a limited liability company, including a sole member,  
280 concerning the matters described in s. 605.0105(1). The term  
281 includes the operating agreement as amended or restated.

282 (46) "Organic law" means the law of the jurisdiction in  
283 which an entity was formed.

284 (47) "Organic rules" means the public organic record and  
285 private organic rules of an entity.

286 (48) "Person" means an individual, business corporation,  
287 nonprofit corporation, partnership, limited partnership, limited  
288 liability company, limited cooperative association,  
289 unincorporated nonprofit association, statutory trust, business  
290 trust, common law business trust, estate, trust, association,  
291 joint venture, public corporation, government or governmental  
292 subdivision, agency, or instrumentality, or another legal or  
293 commercial entity.

294 (49) "Plan" means a plan of merger, plan of interest  
295 exchange, plan of conversion, or plan of domestication, as  
296 appropriate in the particular context.

297 (50) "Plan of conversion" means a plan under s. 605.1042  
298 and includes the plan of conversion as amended or restated.

299 (51) "Plan of domestication" means a plan under s.  
300 605.1052 and includes the plan of domestication as amended or

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301 restated.

302 (52) "Plan of interest exchange" means a plan under s.  
303 605.1032 and includes the plan of interest exchange as amended  
304 or restated.

305 (53) "Plan of merger" means a plan under s. 605.1022 and  
306 includes the plan of merger as amended or restated.

307 (54) "Principal office" means the principal executive  
308 office of a limited liability company or foreign limited  
309 liability company, regardless of whether the office is located  
310 in this state.

311 (55) "Private organic rules" means the rules, whether or  
312 not in a record, which govern the internal affairs of an entity,  
313 are binding on all its interest holders, and are not part of its  
314 public organic record, if any. The term includes:

315 (a) The bylaws of a business corporation.

316 (b) The bylaws of a nonprofit corporation.

317 (c) The partnership agreement of a general partnership.

318 (d) The partnership agreement of a limited partnership.

319 (e) The operating agreement of a limited liability  
320 company.

321 (f) The bylaws, trust instrument, or similar rules of a  
322 real estate investment trust.

323 (g) The trust instrument of a statutory trust or similar  
324 rules of a business trust or common law business trust.

325 (56) "Property" means all property, whether real,  
326 personal, mixed, tangible, or intangible, or a right or interest  
327 therein.

328 (57) "Protected agreement" means:

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329 (a) A record evidencing indebtedness and any related  
330 agreement in effect on January 1, 2014;

331 (b) An agreement that is binding on an entity on January  
332 1, 2014;

333 (c) The organic rules of an entity in effect on January 1,  
334 2014; or

335 (d) An agreement that is binding on any of the governors  
336 or interest holders of an entity on January 1, 2014.

337 (58) "Public organic record" means a record, the filing of  
338 which by a governmental body is required to form an entity, and  
339 an amendment to or restatement of that record. The term includes  
340 the following:

341 (a) The articles of incorporation of a business  
342 corporation.

343 (b) The articles of incorporation of a nonprofit  
344 corporation.

345 (c) The certificate of limited partnership of a limited  
346 partnership.

347 (d) The articles of organization of a limited liability  
348 company.

349 (e) The articles of incorporation of a general cooperative  
350 association or a limited cooperative association.

351 (f) The certificate of trust of a statutory trust or  
352 similar record of a business trust.

353 (g) The articles of incorporation of a real estate  
354 investment trust.

355 (59) "Record," if used as a noun, means information that  
356 is inscribed on a tangible medium or that is stored in an

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357 electronic or other medium and is retrievable in perceivable  
358 form.

359 (60) "Registered foreign entity" means a foreign entity  
360 that is authorized to transact business in this state pursuant  
361 to a record filed with the department.

362 (61) "Registered foreign limited liability company" means  
363 a foreign limited liability company that has a certificate of  
364 authority to transact business in this state pursuant to a  
365 record filed with the department.

366 (62) "Sign" means, with present intent to authenticate or  
367 adopt a record:

368 (a) To execute or adopt a tangible symbol; or

369 (b) To attach or logically associate an electronic symbol,  
370 sound, or process to or with a record, and includes a manual,  
371 facsimile, conformed, or electronic signature.

372  
373 The terms "signed" and "signature" have the corresponding  
374 meanings.

375 (63) "State" means a state of the United States, the  
376 District of Columbia, Puerto Rico, the United States Virgin  
377 Islands, or a territory or insular possession subject to the  
378 jurisdiction of the United States.

379 (64) "Surviving entity" means the entity that continues in  
380 existence after or is created by a merger.

381 (65) "Transfer" includes:

382 (a) An assignment.

383 (b) A conveyance.

384 (c) A sale.

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385 (d) A lease.

386 (e) An encumbrance, including a mortgage or security  
387 interest.

388 (f) A gift.

389 (g) A transfer by operation of law.

390 (66) "Transferable interest" means the right, as initially  
391 owned by a person in the person's capacity as a member, to  
392 receive distributions from a limited liability company in  
393 accordance with the operating agreement, whether the person  
394 remains a member or continues to own a part of the right. The  
395 term applies to any fraction of the interest, by whomever owned.

396 (67) "Transferee" means a person to which all or part of a  
397 transferable interest is transferred, whether or not the  
398 transferor is a member. The term includes a person who owns a  
399 transferable interest under s. 605.0603(1)(c).

400 (68) "Type of entity" means a generic form of entity that  
401 is:

402 (a) Recognized at common law; or

403 (b) Formed under an organic law, whether or not some of  
404 the entities formed under that organic law are subject to  
405 provisions of that law which create different categories of the  
406 form of entity.

407 (69) "Writing" means printing, typewriting, electronic  
408 communication, or other intentional communication that is  
409 reducible to a tangible form. The term "written" has the  
410 corresponding meaning.

411 605.0103 Knowledge; notice.-

412 (1) A person knows a fact if the person:

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- 413 (a) Has actual knowledge of the fact; or  
414 (b) Is deemed to know the fact under paragraph (4) (b), or  
415 a law other than this chapter.
- 416 (2) A person has notice of a fact when the person:  
417 (a) Has reason to know the fact from all of the facts  
418 known to the person at the time in question; or  
419 (b) Is deemed to have notice of the fact under paragraph  
420 (4) (b) .
- 421 (3) Subject to s. 605.0210(8), a person notifies another  
422 person of a fact by taking steps reasonably required to inform  
423 the other person in the ordinary course of events, regardless of  
424 whether those steps actually cause the other person to know of  
425 the fact.
- 426 (4) A person who is not a member is deemed to:  
427 (a) Know of a limitation on authority to transfer real  
428 property as provided in s. 605.0302(7); and  
429 (b) Have notice of a limited liability company's:  
430 1. Dissolution, 90 days after the articles of dissolution  
431 filed under s. 605.0707 become effective;  
432 2. Termination, 90 days after a statement of termination  
433 filed under s. 605.0709(7) becomes effective;  
434 3. Participation in a merger, interest exchange,  
435 conversion, or domestication, 90 days after the articles of  
436 merger, articles of interest exchange, articles of conversion,  
437 or articles of domestication under s. 605.1025, s. 605.1035, s.  
438 605.1045, or s. 605.1055, respectively, become effective;  
439 4. Declaration in its articles of organization that it is  
440 manager-managed in accordance with s. 605.0201(3) (a); however,



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441 if such a declaration has been added or changed by an amendment  
442 or amendment and restatement of the articles of organization,  
443 notice of the addition or change may not become effective until  
444 90 days after the effective date of such amendment or amendment  
445 and restatement; and

446 5. Grant of authority to or limitation imposed on the  
447 authority of a person holding a position or having a specified  
448 status in a company, or grant of authority to or limitation  
449 imposed on the authority of a specific person, if the grant of  
450 authority or limitation imposed on the authority is described in  
451 the articles of organization in accordance with s.

452 605.0201(3)(d); however, if that description has been added or  
453 changed by an amendment or an amendment and restatement of the  
454 articles of organization, notice of the addition or change may  
455 not become effective until 90 days after the effective date of  
456 such amendment or amendment and restatement.

457 605.0104 Governing law.—The law of this state governs:

458 (1) The internal affairs of a limited liability company.

459 (2) The liability of a member as member, and a manager as  
460 manager, for the debts, obligations, or other liabilities of a  
461 limited liability company.

462 605.0105 Operating agreement; scope, function, and  
463 limitations.—

464 (1) Except as otherwise provided in subsections (3) and  
465 (4), the operating agreement governs the following:

466 (a) Relations among the members as members and between the  
467 members and the limited liability company.

468 (b) The rights and duties under this chapter of a person

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469 in the capacity of manager.

470 (c) The activities and affairs of the company and the  
471 conduct of those activities and affairs.

472 (d) The means and conditions for amending the operating  
473 agreement.

474 (2) To the extent the operating agreement does not  
475 otherwise provide for a matter described in subsection (1), this  
476 chapter governs the matter.

477 (3) An operating agreement may not do any of the  
478 following:

479 (a) Vary a limited liability company's capacity under s.  
480 605.0109 to sue and be sued in its own name.

481 (b) Vary the law applicable under s. 605.0104.

482 (c) Vary the requirement, procedure, or other provision of  
483 this chapter pertaining to:

484 1. Registered agents; or

485 2. The department, including provisions pertaining to  
486 records authorized or required to be delivered to the department  
487 for filing under this chapter.

488 (d) Vary the provisions of s. 605.0204.

489 (e) Eliminate the duty of loyalty or the duty of care  
490 under s. 605.04091, except as otherwise provided in subsection  
491 (4).

492 (f) Eliminate the obligation of good faith and fair  
493 dealing under s. 605.04091, but the operating agreement may  
494 prescribe the standards by which the performance of the  
495 obligation is to be measured if the standards are not manifestly  
496 unreasonable.

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497 (g) Relieve or exonerate a person from liability for  
498 conduct involving bad faith, willful or intentional misconduct,  
499 or a knowing violation of law.

500 (h) Unreasonably restrict the duties and rights stated in  
501 s. 605.0410, but the operating agreement may impose reasonable  
502 restrictions on the availability and use of information obtained  
503 under that section and may define appropriate remedies,  
504 including liquidated damages, for a breach of a reasonable  
505 restriction on use.

506 (i) Vary the power of a person to dissociate under s.  
507 605.0601, except to require that the notice under s. 605.0602(1)  
508 be in a record.

509 (j) Vary the grounds for dissolution specified in s.  
510 605.0702.

511 (k) Vary the requirement to wind up the company's  
512 business, activities, and affairs as specified in s.  
513 605.0709(1), (2)(a), and (5).

514 (l) Unreasonably restrict the right of a member to  
515 maintain an action under ss. 605.0801-605.0806.

516 (m) Vary the provisions of s. 605.0804, but the operating  
517 agreement may provide that the company may not appoint a special  
518 litigation committee. However, the operating agreement may not  
519 prevent a court from appointing a special litigation committee.

520 (n) Vary the right of a member to approve a merger,  
521 interest exchange, or conversion under s. 605.1023(1)(b), s.  
522 605.1033(1)(b), or s. 605.1043(1)(b), respectively.

523 (o) Vary the required contents of plan of merger under s.  
524 605.1022, a plan of interest exchange under s. 605.1032, a plan

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525 of conversion under s. 605.1042, or a plan of domestication  
526 under s. 605.1052.

527 (p) Except as otherwise provided in ss. 605.0106 and  
528 605.0107(2), restrict the rights under this chapter of a person  
529 other than a member or manager.

530 (q) Provide for indemnification for a member or manager  
531 under s. 605.0408 for any of the following:

532 1. Conduct involving bad faith, willful or intentional  
533 misconduct, or a knowing violation of law.

534 2. A transaction from which the member or manager derived  
535 an improper personal benefit.

536 3. A circumstance under which the liability provisions of  
537 s. 605.0406 are applicable.

538 4. A breach of duties or obligations under s. 605.04091,  
539 taking into account a variation of such duties and obligations  
540 provided for in the operating agreement to the extent allowed by  
541 subsection (4).

542 (4) Subject to paragraph (3)(g), without limiting other  
543 terms that may be included in an operating agreement, the  
544 following rules apply:

545 (a) The operating agreement may:

546 1. Specify the method by which a specific act or  
547 transaction that would otherwise violate the duty of loyalty may  
548 be authorized or ratified by one or more disinterested and  
549 independent persons after full disclosure of all material facts;

550 or

551 2. Alter the prohibition stated in s. 605.0405(1)(b) so  
552 that the prohibition requires solely that the company's total

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553 assets not be less than the sum of its total liabilities.

554 (b) To the extent the operating agreement of a member-  
555 managed limited liability company expressly relieves a member of  
556 responsibility that the member would otherwise have under this  
557 chapter and imposes the responsibility on one or more other  
558 members, the operating agreement may, to the benefit of the  
559 member that the operating agreement relieves of the  
560 responsibility, also eliminate or limit a duty or obligation  
561 that would have pertained to the responsibility.

562 (c) If not manifestly unreasonable, the operating  
563 agreement may:

564 1. Alter or eliminate the aspects of the duty of loyalty  
565 under s. 605.04091(2);

566 2. Identify specific types or categories of activities  
567 that do not violate the duty of loyalty; and

568 3. Alter the duty of care, but may not authorize willful  
569 or intentional misconduct or a knowing violation of law.

570 (5) The court shall decide as a matter of law whether a  
571 term of an operating agreement is manifestly unreasonable under  
572 paragraph (3)(f) or paragraph (4)(c). The court:

573 (a) Shall make its determination as of the time the  
574 challenged term became part of the operating agreement and shall  
575 consider only circumstances existing at that time; and

576 (b) May invalidate the term only if, in light of the  
577 purposes, activities, and affairs of the limited liability  
578 company, it is readily apparent that:

579 1. The objective of the term is unreasonable; or

580 2. The term is an unreasonable means to achieve the

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581 provision's objective.

582 (6) An operating agreement may provide for specific  
583 penalties or specified consequences, including those described  
584 in s. 605.0403(5), if a member or transferee fails to comply  
585 with the terms and conditions of the operating agreement or if  
586 other events specified in the operating agreement occur.

587 605.0106 Operating agreement; effect on limited liability  
588 company and person becoming member; preformation agreement;  
589 other matters involving operating agreement.-

590 (1) A limited liability company is bound by and may  
591 enforce the operating agreement, regardless of whether the  
592 company has itself manifested assent to the operating agreement.

593 (2) A person who becomes a member of a limited liability  
594 company is deemed to assent to, is bound by, and may enforce the  
595 operating agreement, regardless of whether the member executes  
596 the operating agreement.

597 (3) Two or more persons who intend to become the initial  
598 members of a limited liability company may make an agreement  
599 providing that, upon the formation of the company, the agreement  
600 will become the operating agreement. One person who intends to  
601 become the initial member of a limited liability company may  
602 assent to terms that will become the operating agreement upon  
603 formation of the company.

604 (4) A manager of a limited liability company or a  
605 transferee is bound by the operating agreement, regardless of  
606 whether the manager or transferee has agreed to the operating  
607 agreement.

608 (5) An operating agreement of a limited liability company

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609 that has only one member is not unenforceable simply because  
610 there is only one person who is a party to the operating  
611 agreement.

612 (6) Except as provided in s. 605.0403(1), an operating  
613 agreement is not subject to a statute of frauds.

614 (7) An operating agreement may provide rights to a person,  
615 including a person who is not a party to the operating  
616 agreement, to the extent provided in the operating agreement.

617 (8) A written operating agreement or other record:

618 (a) May provide that a person be admitted as a member of a  
619 limited liability company, become a transferee of a limited  
620 liability company interest, or have other rights or powers of a  
621 member to the extent assigned:

622 1. If the person or a representative authorized by that  
623 person orally, in writing, or by other action such as payment  
624 for a limited liability company interest, executes the operating  
625 agreement or another record evidencing the intent of the person  
626 to become a member or transferee; or

627 2. Without the execution of the operating agreement, if  
628 the person or a representative authorized by the person orally,  
629 in writing, or by other action such as payment for a limited  
630 liability company interest complies with the conditions for  
631 becoming a member or transferee as provided in the operating  
632 agreement or another record; and

633 (b) Is not unenforceable by reason of its not being signed  
634 by a person being admitted as a member or becoming a transferee  
635 as provided in paragraph (a), or by reason of its being signed  
636 by a representative as provided in this chapter.

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637 605.0107 Operating agreement; effect on third parties and  
638 relationship to records effective on behalf of limited liability  
639 company.-

640 (1) An operating agreement may specify that its amendment  
641 requires the approval of a person who is not a party to the  
642 agreement or upon the satisfaction of a condition. An amendment  
643 is ineffective if its adoption does not include the required  
644 approval or satisfy the specified condition.

645 (2) The obligations of a limited liability company and its  
646 members to a person in the person's capacity as a transferee or  
647 a person dissociated as a member are governed by the operating  
648 agreement. An amendment to the operating agreement made after a  
649 person becomes a transferee or is dissociated as a member:

650 (a) Is effective with regard to a debt, obligation, or  
651 other liability of the limited liability company or its members  
652 to the person in the person's capacity as a transferee or person  
653 dissociated as a member; and

654 (b) Is not effective to the extent the amendment imposes a  
655 new debt, obligation, or other liability on the transferee or  
656 person dissociated as a member.

657 (3) If a record delivered to the department for filing  
658 becomes effective under this chapter and contains a provision  
659 that would be ineffective under s. 605.0105(3) or (4)(c) if  
660 contained in the operating agreement, the provision is  
661 ineffective in the record.

662 (4) Subject to subsection (3), if a record delivered to  
663 the department for filing which has become effective under this  
664 chapter but conflicts with a provision of the operating



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665 agreement:

666 (a) The operating agreement prevails as to members,  
667 dissociated members, transferees, and managers; and

668 (b) The record prevails as to other persons to the extent  
669 the other persons reasonably rely on the record.

670 605.0108 Nature, purpose, and duration of limited  
671 liability company.-

672 (1) A limited liability company is an entity distinct from  
673 its members.

674 (2) A limited liability company may have any lawful  
675 purpose, regardless of whether the company is a for-profit  
676 company.

677 (3) A limited liability company has an indefinite  
678 duration.

679 605.0109 Powers.-A limited liability company has the  
680 powers, rights, and privileges granted by this chapter, any  
681 other law, or by its operating agreement to do all things  
682 necessary or convenient to carry out its activities and affairs,  
683 including the power to do all of the following:

684 (1) Sue, be sued, and defend in its name.

685 (2) Purchase, receive, lease, or otherwise acquire, own,  
686 hold, improve, use, and otherwise deal with real or personal  
687 property or any legal or equitable interest in property,  
688 wherever located.

689 (3) Sell, convey, mortgage, grant a security interest in,  
690 lease, exchange, and otherwise encumber or dispose of all or a  
691 part of its property.

692 (4) Purchase, receive, subscribe for, or otherwise

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693 acquire, own, hold, vote, use, sell, mortgage, lend, grant a  
694 security interest in, or otherwise dispose of and deal in and  
695 with, shares or other interests in or obligations of another  
696 entity.

697 (5) Make contracts or guarantees or incur liabilities;  
698 borrow money; issue notes, bonds, or other obligations, which  
699 may be convertible into or include the option to purchase other  
700 securities of the limited liability company; or make contracts  
701 of guaranty and suretyship which are necessary or convenient to  
702 the conduct, promotion, or attainment of the purposes,  
703 activities, and affairs of the limited liability company.

704 (6) Lend money, invest or reinvest its funds, and receive  
705 and hold real or personal property as security for repayment.

706 (7) Conduct its business, locate offices, and exercise the  
707 powers granted by this chapter within or without this state.

708 (8) Select managers and appoint officers, directors,  
709 employees, and agents of the limited liability company, define  
710 their duties, fix their compensation, and lend them money and  
711 credit.

712 (9) Make donations for the public welfare or for  
713 charitable, scientific, or educational purposes.

714 (10) Pay pensions and establish pension plans, pension  
715 trusts, profit-sharing plans, bonus plans, option plans, and  
716 benefit or incentive plans for any or all of its current or  
717 former managers, members, officers, agents, and employees.

718 (11) Be a promoter, incorporator, shareholder, partner,  
719 member, associate, or manager of a corporation, partnership,  
720 joint venture, trust, or other entity.

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721 (12) Make payments or donations or conduct any other act  
722 not inconsistent with applicable law which furthers the business  
723 of the limited liability company.

724 (13) Enter into interest rate, basis, currency, hedge or  
725 other swap agreements, or cap, floor, put, call, option,  
726 exchange or collar agreements, derivative agreements, or similar  
727 agreements.

728 (14) Grant, hold, or exercise a power of attorney,  
729 including an irrevocable power of attorney.

730 605.0110 Limited liability company property.-

731 (1) All property originally contributed to the limited  
732 liability company or subsequently acquired by a limited  
733 liability company by purchase or other method is limited  
734 liability company property.

735 (2) Property acquired with limited liability company funds  
736 is limited liability company property.

737 (3) Instruments and documents providing for the  
738 acquisition, mortgage, or disposition of property of the limited  
739 liability company are valid and binding upon the limited  
740 liability company if they are executed in accordance with this  
741 chapter.

742 (4) A member of a limited liability company has no  
743 interest in any specific limited liability company property.

744 605.0111 Rules of construction and supplemental principles  
745 of law.-

746 (1) It is the intent of this chapter to give the maximum  
747 effect to the principle of freedom of contract and to the  
748 enforceability of operating agreements, including the purposes

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749 of ss. 605.0105-605.0107.

750 (2) Unless displaced by particular provisions of this  
751 chapter, the principles of law and equity supplement this  
752 chapter.

753 605.0112 Name.—

754 (1) The name of a limited liability company:

755 (a) Must contain the words "limited liability company" or  
756 the abbreviation "L.L.C." or "LLC";

757 (b) Must be distinguishable in the records of the Division  
758 of Corporations of the department from the names of all other  
759 entities or filings, except fictitious name registrations  
760 pursuant to s. 865.09, organized, registered, or reserved under  
761 the laws of this state, which names are on file with the  
762 division; however, a limited liability company may register  
763 under a name that is not otherwise distinguishable on the  
764 records of the division with the written consent of the owner  
765 entity, provided the consent is filed with the division at the  
766 time of registration of such name;

767 (c) May not contain language stating or implying that the  
768 limited liability company is organized for a purpose other than  
769 a purpose authorized in this chapter and its articles of  
770 organization; and

771 (d) May not contain language stating or implying that the  
772 limited liability company is connected with a state or federal  
773 government agency or a corporation or other entity chartered  
774 under the laws of the United States.

775 (2) Subject to s. 605.0905, this section applies to a  
776 foreign limited liability company transacting business in this

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777 state which has a certificate of authority to transact business  
778 in this state or which has applied for a certificate of  
779 authority.

780 (3) In the case of a limited liability company in  
781 existence before July 1, 2007, and registered with the  
782 department, the requirement in this section that the name of a  
783 limited liability company be distinguishable from the names of  
784 other entities and filings applies only if the limited liability  
785 company files documents on or after July 1, 2007, which would  
786 otherwise have affected its name.

787 (4) A limited liability company in existence before  
788 January 1, 2014, which was registered with the department and is  
789 using an abbreviation or designation in its name authorized  
790 under previous law, may continue using the abbreviation or  
791 designation in its name until it dissolves or amends its name in  
792 the records of the department.

793 (5) The name of the limited liability company must be  
794 filed with the department for public notice only, and the act of  
795 filing alone does not create any presumption of ownership beyond  
796 that which is created under the common law.

797 605.0113 Registered agent.-

798 (1) Each limited liability company and each foreign  
799 limited liability company that has a certificate of authority  
800 under s. 605.0902 shall designate and continuously maintain in  
801 this state:

802 (a) A registered office, which may be the same as its  
803 place of business in this state; and

804 (b) A registered agent, who must be:

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805 1. An individual who resides in this state and whose  
806 business address is identical to the address of the registered  
807 office; or

808 2. A foreign or domestic entity authorized to transact  
809 business in this state whose business address is identical to  
810 the address of the registered office.

811 (2) Each initial registered agent, and each successor  
812 registered agent that is appointed, shall file a statement in  
813 writing with the department, in the form and manner prescribed  
814 by the department, accepting the appointment as registered agent  
815 while simultaneously being designated as the registered agent.  
816 The statement of acceptance must provide that the registered  
817 agent is familiar with and accepts the obligations of that  
818 position.

819 (3) The duties of a registered agent are as follows:

820 (a) To forward to the limited liability company or  
821 registered foreign limited liability company, at the address  
822 most recently supplied to the agent by the company or foreign  
823 limited liability company, a process, notice, or demand  
824 pertaining to the company or foreign limited liability company  
825 which is served on or received by the agent.

826 (b) If the registered agent resigns, to provide the notice  
827 required under s. 605.0115(2) to the company or foreign limited  
828 liability company at the address most recently supplied to the  
829 agent by the company or foreign limited liability company.

830 (4) The department shall maintain an accurate record of  
831 the registered agent and registered office for service of  
832 process and shall promptly furnish information disclosed thereby

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833 upon request and payment of the required fee.

834 (5) A limited liability company and each foreign limited  
835 liability company that has a certificate of authority under s.  
836 605.0902 may not prosecute, maintain, or defend an action in a  
837 court until the limited liability company complies with this  
838 section and pays to the department a penalty of \$5 for each day  
839 it has failed to comply or \$500, whichever is less, and pays any  
840 other amounts required under this chapter.

841 605.0114 Change of registered agent or registered office.-

842 (1) In order to change its registered agent or registered  
843 office address, a limited liability company or a foreign limited  
844 liability company may deliver to the department for filing a  
845 statement of change containing the following:

846 (a) The name of the limited liability company or foreign  
847 limited liability company.

848 (b) The name of its current registered agent.

849 (c) If the registered agent is to be changed, the name of  
850 the new registered agent.

851 (d) The street address of its current registered office  
852 for its registered agent.

853 (e) If the street address of the registered office is to  
854 be changed, the new street address of the registered office in  
855 this state.

856 (2) If the registered agent is changed, the written  
857 acceptance of the successor registered agent described in s.  
858 605.0113(2) must also be included in or attached to the  
859 statement of change.

860 (3) A statement of change is effective when filed by the

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861 department or when authorized under s. 605.0207.

862 (4) The changes described in this section may also be made  
863 on the limited liability company's or foreign limited liability  
864 company's annual report, in an application for reinstatement  
865 filed with the department under s. 605.0715(1), in an amendment  
866 to or restatement of a company's articles of organization in  
867 accordance with s. 605.0202, or in an amendment to a foreign  
868 limited liability company's certificate of authority in  
869 accordance with s. 605.0907.

870 605.0115 Resignation of registered agent.-

871 (1) A registered agent may resign as agent for a limited  
872 liability company or foreign limited liability company by  
873 delivering for filing to the department a signed statement of  
874 resignation containing the name of the limited liability company  
875 or foreign limited liability company.

876 (2) After delivering the statement of resignation with the  
877 department for filing, the registered agent shall mail a copy to  
878 the limited liability company's or foreign limited liability  
879 company's current mailing address.

880 (3) A registered agent is terminated upon the earlier of:

881 (a) The 31st day after the department files the statement  
882 of resignation; or

883 (b) When a statement of change or other record designating  
884 a new registered agent is filed by the department.

885 (4) When a statement of resignation takes effect, the  
886 registered agent ceases to have responsibility for a matter  
887 thereafter tendered to it as agent for the limited liability  
888 company or foreign limited liability company. The resignation



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889 does not affect contractual rights that the company or foreign  
890 limited liability company has against the agent or that the  
891 agent has against the company or foreign limited liability  
892 company.

893 (5) A registered agent may resign from a limited liability  
894 company or foreign limited liability company regardless of  
895 whether the company or foreign limited liability company has  
896 active status.

897 605.0116 Change of name or address by registered agent.-

898 (1) If a registered agent changes his or her name or  
899 address, the agent may deliver to the department for filing a  
900 statement of change that provides the following:

901 (a) The name of the limited liability company or foreign  
902 limited liability company represented by the registered agent.

903 (b) The name of the agent as currently shown in the  
904 records of the department for the company or foreign limited  
905 liability company.

906 (c) If the name of the agent has changed, its new name.

907 (d) If the address of the agent has changed, the new  
908 address.

909 (e) That the registered agent has given the notice  
910 required under subsection (2).

911 (2) A registered agent shall promptly furnish notice of  
912 the statement of change and the changes made by the statement  
913 filed with the department to the represented limited liability  
914 company or foreign limited liability company.

915 605.0117 Service of process, notice, or demand.-

916 (1) A limited liability company or registered foreign

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917 limited liability company may be served with process, notice, or  
918 a demand required or authorized by law by serving on its  
919 registered agent.

920 (2) If a limited liability company or registered foreign  
921 limited liability company ceases to have a registered agent or  
922 if its registered agent cannot with reasonable diligence be  
923 served, the process, notice, or demand required or permitted by  
924 law may instead be served:

925 (a) On a member of a member-managed limited liability  
926 company or registered foreign limited liability company; or

927 (b) On a manager of a manager-managed limited liability  
928 company or registered foreign limited liability company.

929 (3) If the process, notice, or demand cannot be served on  
930 a limited liability company or registered foreign limited  
931 liability company pursuant to subsection (1) or subsection (2),  
932 the process, notice, or demand may be served on the department  
933 as an agent of the company.

934 (4) Service with process, notice, or a demand on the  
935 department may be made by delivering to and leaving with the  
936 department duplicate copies of the process, notice, or demand.

937 (5) Service is effectuated under subsection (3) on the  
938 date shown as received by the department.

939 (6) The department shall keep a record of each process,  
940 notice, and demand served pursuant to this section and record  
941 the time of and the action taken regarding the service.

942 (7) This section does not affect the right to serve  
943 process, notice, or a demand in any other manner provided by  
944 law.

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945 605.0118 Delivery of record.-

946 (1) Except as otherwise provided in this chapter,  
947 permissible means of delivery of a record include delivery by  
948 hand, the United States Postal Service, a commercial delivery  
949 service, and electronic transmission.

950 (2) Except as provided in subsection (3), delivery to the  
951 department is effective only when a record is received by the  
952 department.

953 (3) If a check is mailed to the department for payment of  
954 an annual report fee or the annual fee required under s.  
955 607.193, the check shall be deemed to have been received by the  
956 department as of the postmark date appearing on the envelope or  
957 package transmitting the check if the envelope or package is  
958 received by the department.

959 605.0119 Waiver of notice.-If, pursuant to this chapter or  
960 the articles of organization or operating agreement of a limited  
961 liability company, notice is required to be given to a member of  
962 a limited liability company or to a manager of a limited  
963 liability company having a manager or managers, a waiver in  
964 writing signed by the person or persons entitled to the notice,  
965 whether made before or after the time for notice to be given, is  
966 equivalent to the giving of notice.

967 605.0201 Formation of limited liability company; articles  
968 of organization.-

969 (1) One or more persons may act as authorized  
970 representatives to form a limited liability company by signing  
971 and delivering articles of organization to the department for  
972 filing.

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973 (2) The articles of organization must state the following:

974 (a) The name of the limited liability company, which must  
975 comply with s. 605.0112.

976 (b) The street and mailing addresses of the company's  
977 principal office.

978 (c) The name, street address in this state, and written  
979 acceptance of the company's initial registered agent.

980 (3) The articles of organization may contain statements on  
981 matters other than those required under subsection (2), but may  
982 not vary from or otherwise affect the provisions specified in s.  
983 605.0105(3) in a manner inconsistent with that subsection.

984 Additional statements may include one or more of the following:

985 (a) A declaration as to whether the limited liability  
986 company is manager-managed for purposes of s. 605.0407 and other  
987 relevant provisions of this chapter.

988 (b) For a manager-managed limited liability company, the  
989 names and addresses of one or more of the managers of the  
990 company.

991 (c) For a member-managed limited liability company, the  
992 names and addresses of one or more of the members of the  
993 company.

994 (d) A description of the authority or limitation on the  
995 authority of a specific person in the company or a person  
996 holding a position or having a specified status in the company.

997 (e) Any other relevant matters.

998 (4) A limited liability company is formed when the  
999 company's articles of organization become effective under s.  
1000 605.0207 and when at least one person becomes a member at the

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1001 time the articles of organization become effective. By signing  
1002 the articles of organization, the person who signs the articles  
1003 of organization affirms that the company has or will have at  
1004 least one member as of the time the articles of organization  
1005 become effective.

1006 605.0202 Amendment or restatement of articles of  
1007 organization.-

1008 (1) The articles of organization may be amended or  
1009 restated at any time.

1010 (2) To amend the articles of organization, a limited  
1011 liability company must deliver to the department for filing an  
1012 amendment, designated as such in its heading, which contains the  
1013 following:

1014 (a) The present name of the company.

1015 (b) The date of filing of the company's articles of  
1016 organization.

1017 (c) The amendment to the articles of organization.

1018 (d) The delayed effective date, as provided under s.  
1019 605.0207, if the amendment is not effective on the date the  
1020 department files the amendment.

1021 (3) To restate its articles of organization, a limited  
1022 liability company must deliver to the department for filing an  
1023 instrument, entitled "Restatement of Articles of Organization,"  
1024 which contains the following:

1025 (a) The present name of the company.

1026 (b) The date of the filing of its articles of  
1027 organization.

1028 (c) All of the provisions of its articles of organization

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1029 in effect, as restated.

1030 (d) The delayed effective date, as provided under s.  
1031 605.0207, if the restatement is not effective on the date the  
1032 department files the restatement.

1033 (4) A restatement of the articles of organization of a  
1034 limited liability company may also contain one or more  
1035 amendments to the articles of organization, in which case the  
1036 instrument must be entitled "Amended and Restated Articles of  
1037 Organization."

1038 (5) If a member of a member-managed limited liability  
1039 company or a manager of a manager-managed limited liability  
1040 company knew that information contained in filed articles of  
1041 organization was inaccurate when the articles of organization  
1042 were filed or became inaccurate due to changed circumstances,  
1043 the member or manager shall promptly:

1044 (a) Cause the articles of organization to be amended; or

1045 (b) If appropriate, deliver to the department for filing a  
1046 statement of change under s. 605.0114 or a statement of  
1047 correction under s. 605.0209.

1048 605.0203 Signing of records to be delivered for filing to  
1049 department.-

1050 (1) A record delivered to the department for filing  
1051 pursuant to this chapter must be signed as follows:

1052 (a) Except as otherwise provided in paragraphs (b) and  
1053 (c), a record signed on behalf of a limited liability company  
1054 must be signed by a person authorized by the company.

1055 (b) A company's initial articles of organization must be  
1056 signed by at least one person acting as an authorized

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1057 representative. The articles of organization must also include  
1058 or have attached a statement signed by the company's initial  
1059 registered agent in the form described in s. 605.0113(2).

1060 (c) A record delivered on behalf of a dissolved company  
1061 that has no member must be signed by the person winding up the  
1062 company's activities and affairs under s. 605.0709(3) or a  
1063 person appointed under s. 605.0709(4) or (5) to wind up the  
1064 activities and affairs.

1065 (d) A statement of denial by a person under s. 605.0303  
1066 must be signed by that person.

1067 (e) A record changing the registered agent must also  
1068 include or be accompanied by a statement signed by the successor  
1069 registered agent in the form described in s. 605.0113(2).

1070 (f) Any other record delivered on behalf of a person to  
1071 the department must be signed by that person.

1072 (2) A record may also be signed by an agent, legal  
1073 representative, or attorney-in-fact, as applicable, if such  
1074 person is duly appointed and authorized to sign the record and  
1075 the record states that such person possesses that authority.

1076 (3) A person who signs a record as an agent, legal  
1077 representative, or attorney-in-fact affirms as a fact that the  
1078 person is authorized to sign the record.

1079 605.0204 Signing and filing pursuant to judicial order.-

1080 (1) If a person who is required under this chapter to sign  
1081 a record or deliver a record to the department for filing under  
1082 this chapter does not do so, another person who is aggrieved may  
1083 petition the circuit court to order:

1084 (a) The person to sign the record;

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1085 (b) The person to deliver the record to the department for  
1086 filing; or

1087 (c) The department to file the record unsigned.

1088 (2) If a petitioner under subsection (1) is not the  
1089 limited liability company or foreign limited liability company  
1090 to which the record pertains, the petitioner shall make the  
1091 limited liability company or foreign limited liability company a  
1092 party to the action. The petitioner may seek the remedies  
1093 provided in subsection (1) in the same action, in combination or  
1094 in the alternative.

1095 (3) A record filed pursuant to paragraph (1)(c) is  
1096 effective without being signed.

1097 605.0205 Liability for inaccurate information in filed  
1098 record.-

1099 (1) If a record delivered to the department for filing  
1100 under this chapter and filed by the department contains  
1101 inaccurate information, a person who suffers a loss by reliance  
1102 on such information may recover damages for the loss from:

1103 (a) A person who signed the record, or caused another to  
1104 sign it on the person's behalf, and knew the information was  
1105 inaccurate at the time the record was signed; and

1106 (b) Subject to subsection (2), a member of a member-  
1107 managed limited liability company or a manager of a manager-  
1108 managed limited liability company if:

1109 1. The record was delivered for filing on behalf of the  
1110 company; and

1111 2. The member or manager had notice of the inaccuracy for  
1112 a reasonably sufficient time before the information was relied



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1113 upon so that, before the reliance, the member or manager

1114 reasonably could have:

1115 a. Effected an amendment pursuant to s. 605.0202;

1116 b. Filed a petition pursuant to s. 605.0204; or

1117 c. Delivered to the department for filing a statement of  
1118 change pursuant to s. 605.0114 or a statement of correction  
1119 under s. 605.0209.

1120 (2) To the extent that the operating agreement of a  
1121 member-managed limited liability company expressly relieves a  
1122 member of responsibility for maintaining the accuracy of  
1123 information contained in records delivered on behalf of the  
1124 company to the department for filing and imposes that  
1125 responsibility on one or more other members, the liability  
1126 stated in paragraph (1)(b) applies to those other members and  
1127 not to the member that the operating agreement relieves of the  
1128 responsibility.

1129 (3) An individual who signs a record authorized or  
1130 required to be filed under this chapter affirms under penalty of  
1131 perjury that the information stated in the record is accurate.

1132 605.0206 Filing requirements.—

1133 (1) A record authorized or required to be delivered to the  
1134 department for filing under this chapter must be captioned to  
1135 describe the record's purpose, be in a medium authorized by the  
1136 department, and be delivered to the department. If all filing  
1137 fees are paid, the department shall file the record unless the  
1138 department determines that the record does not comply with the  
1139 filing requirements.

1140 (2) Upon request and payment of the applicable fee, the

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1141 department shall send to the requester a certified copy of the  
1142 requested record.

1143 (3) If the department has prescribed a mandatory medium or  
1144 form for the record being filed, the record must be in the  
1145 prescribed medium or on the prescribed form.

1146 (4) Except as otherwise provided by the department, a  
1147 document to be filed with the department must be typewritten or  
1148 printed, legible, and written in the English language. A limited  
1149 liability company name does not need to be in English if written  
1150 in English letters or Arabic or Roman numerals, and the  
1151 certificate of existence required of a foreign limited liability  
1152 company does not need to be in English if accompanied by a  
1153 reasonably authenticated English translation. The department may  
1154 prescribe forms in electronic format which comply with this  
1155 chapter. The department may also use electronic transmissions  
1156 for the purposes of notice and communication in the performance  
1157 of its duties and may require filers and registrants to furnish  
1158 e-mail addresses when presenting a document for filing.

1159 605.0207 Effective date and time.—Except as otherwise  
1160 provided in s. 605.0208, and subject to s. 605.0209(3), any  
1161 document delivered to the department for filing under this  
1162 chapter may specify an effective time and a delayed effective  
1163 date. In the case of initial articles of organization, a prior  
1164 effective date may be specified in the articles of organization  
1165 if such date is within 5 business days before the date of  
1166 filing. Subject to ss. 605.0114, 605.0115, 605.0208, and  
1167 605.0209, a record filed by the department is effective:

1168 (1) If the record does not specify an effective time and

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1169 does not specify a prior or a delayed effective date, on the  
1170 date and at the time the record is filed as evidenced by the  
1171 department's endorsement of the date and time on the record.

1172 (2) If the record specifies an effective time, but not a  
1173 prior or delayed effective date, on the date the record is filed  
1174 at the time specified in the record.

1175 (3) If the record specifies a delayed effective date, but  
1176 not an effective time, at 12:01 a.m. on the earlier of:

1177 (a) The specified date; or

1178 (b) The 90th day after the record is filed.

1179 (4) If the record is the initial articles of organization  
1180 and specifies a date before the effective date, but no effective  
1181 time, at 12:01 a.m. on the later of:

1182 (a) The specified date; or

1183 (b) The 5th business day before the record is filed.

1184 (5) If the record is the initial articles of organization  
1185 and specifies an effective time and a delayed effective date, at  
1186 the specified time on the earlier of:

1187 (a) The specified date; or

1188 (b) The 90th day after the record is filed.

1189 (6) If the record specifies an effective time and a prior  
1190 effective date, at the specified time on the later of:

1191 (a) The specified date; or

1192 (b) The 5th business day before the record is filed.

1193 605.0208 Withdrawal of filed record before effectiveness.-

1194 (1) Except as otherwise provided in ss. 605.1001-605.1072,  
1195 a record delivered to the department for filing may be withdrawn  
1196 before it takes effect by delivering to the department for

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1197 filing a withdrawal statement.

1198 (2) A withdrawal statement must:

1199 (a) Be signed by each person who signed the record being  
1200 withdrawn, except as otherwise agreed by those persons;

1201 (b) Identify the record to be withdrawn; and

1202 (c) If not signed by all the persons who signed the record  
1203 being withdrawn, state that the record is withdrawn in  
1204 accordance with the agreement of all the persons who signed the  
1205 record.

1206 (3) On the filing by the department of a withdrawal  
1207 statement, the action or transaction evidenced by the original  
1208 record does not take effect.

1209 605.0209 Correcting filed record.—

1210 (1) A person on whose behalf a filed record was delivered  
1211 to the department for filing may correct the record if:

1212 (a) The record at the time of filing was inaccurate;

1213 (b) The record was defectively signed; or

1214 (c) The electronic transmission of the record to the  
1215 department was defective.

1216 (2) To correct a filed record, a person on whose behalf  
1217 the record was delivered to the department must deliver to the  
1218 department for filing a statement of correction.

1219 (3) A statement of correction:

1220 (a) May not state a delayed effective date;

1221 (b) Must be signed by the person correcting the filed  
1222 record;

1223 (c) Must identify the filed record to be corrected;

1224 (d) Must specify the inaccuracy or defect to be corrected;

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1225 and

1226 (e) Must correct the inaccuracy or defect.

1227 (4) A statement of correction is effective as of the  
1228 effective date of the filed record that it corrects, except for  
1229 purposes of s. 605.0103(4) and as to persons relying on the  
1230 uncorrected filed record and adversely affected by the  
1231 correction. For those purposes and as to those persons, the  
1232 statement of correction is effective when filed.

1233 605.0210 Duty of department to file; review of refusal to  
1234 file; transmission of information by department.-

1235 (1) The department files a document by stamping or  
1236 otherwise endorsing the document as "filed," together with the  
1237 department's official title and the date and time of receipt.

1238 (2) After filing a record, the department shall deliver an  
1239 acknowledgment of the filing or certified copy of the document  
1240 to the company or foreign limited liability company or its  
1241 authorized representative.

1242 (3) If the department refuses to file a record, the  
1243 department shall, within 15 days after the record is delivered:

1244 (a) Return the record or notify the person who submitted  
1245 the record of the refusal; and

1246 (b) Provide a brief explanation in a record of the reason  
1247 for the refusal.

1248 (4) If the applicant returns the document with corrections  
1249 in accordance with the rules of the department within 60 days  
1250 after it was mailed to the applicant by the department and, if  
1251 at the time of return, the applicant so requests in writing, the  
1252 filing date of the document shall be the filing date that would

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1253 have been applied had the original document not been deficient,  
1254 except as to persons who relied on the record before correction  
1255 and were adversely affected thereby.

1256 (5) The department's duty to file documents under this  
1257 section is ministerial. Filing or refusing to file a document  
1258 does not:

1259 (a) Affect the validity or invalidity of the document in  
1260 whole or part;

1261 (b) Relate to the correctness or incorrectness of  
1262 information contained in the document; or

1263 (c) Create a presumption that the document is valid or  
1264 invalid or that information contained in the document is correct  
1265 or incorrect.

1266 (6) If not otherwise provided by law and this chapter, the  
1267 department shall determine by rule the appropriate format for  
1268 any document placed under its jurisdiction, and the number of  
1269 copies, manner of execution, method of electronic transmission,  
1270 and amount and method of payment of fees for such document.

1271 (7) If the department refuses to file a record, the person  
1272 who submitted the record may petition the circuit court to  
1273 compel filing of the record. The record and the explanation of  
1274 the department of the refusal to file must be attached to the  
1275 petition. The court may decide the matter in a summary  
1276 proceeding.

1277 (8) Except as otherwise provided under s. 605.0117 or by  
1278 any law other than this chapter, the department may deliver a  
1279 record to a person by delivering it:

1280 (a) In person to the person who submitted it;

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- 1281 (b) To the address of the person's registered agent;  
1282 (c) To the principal office of the person; or  
1283 (d) To another address that the person provides to the  
1284 department for delivery.
- 1285 605.0211 Certificate of status.-
- 1286 (1) The department, upon request and payment of the  
1287 requisite fee, shall issue a certificate of status for a limited  
1288 liability company if the records filed in the department show  
1289 that the department has accepted and filed the company's  
1290 articles of organization. A certificate of status must state the  
1291 following:
- 1292 (a) The company's name.
- 1293 (b) That the company was organized under the laws of this  
1294 state and the date of organization.
- 1295 (c) Whether all fees due to the department under this  
1296 chapter have been paid.
- 1297 (d) If the company's most recent annual report required  
1298 under s. 605.0212 has not been filed by the department.
- 1299 (e) If the department has administratively dissolved the  
1300 company or received a record notifying the department that the  
1301 company has been dissolved by judicial action pursuant to s.  
1302 605.0705.
- 1303 (f) If the department has filed articles of dissolution  
1304 for the company.
- 1305 (g) If the department has accepted and filed a statement  
1306 of termination.
- 1307 (2) The department, upon request and payment of the  
1308 requisite fee, shall furnish a certificate of status for a

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1309 foreign limited liability company if the records filed show that  
1310 the department has filed a certificate of authority. A  
1311 certificate of status for a foreign limited liability company  
1312 must state the following:

1313 (a) The foreign limited liability company's name and a  
1314 current alternate name adopted under s. 605.0906(1) for use in  
1315 this state.

1316 (b) That the foreign limited liability company is  
1317 authorized to transact business in this state.

1318 (c) Whether all fees and penalties due to the department  
1319 under this chapter or other law have been paid.

1320 (d) If the foreign limited liability company's most recent  
1321 annual report required under s. 605.0212 has not been filed by  
1322 the department.

1323 (e) If the department has:

1324 1. Revoked the foreign limited liability company's  
1325 certificate of authority; or

1326 2. Filed a notice of withdrawal of certificate of  
1327 authority.

1328 (3) Subject to any qualification stated in the certificate  
1329 of status, a certificate of status issued by the department is  
1330 conclusive evidence that the limited liability company is in  
1331 existence or the foreign limited liability company is authorized  
1332 to transact business in this state.

1333 605.0212 Annual report for department.-

1334 (1) A limited liability company or a registered foreign  
1335 limited liability company shall deliver to the department for  
1336 filing an annual report that states the following:



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1337 (a) The name of the limited liability company or, if a  
1338 foreign limited liability company, the name under which the  
1339 foreign limited liability company is registered to transact  
1340 business in this state.

1341 (b) The street address of its principal office and its  
1342 mailing address.

1343 (c) The date of its organization and, if a foreign limited  
1344 liability company, the jurisdiction of its formation and the  
1345 date on which it became qualified to transact business in this  
1346 state.

1347 (d) The company's federal employer identification number  
1348 or, if none, whether one has been applied for.

1349 (e) The name, title or capacity, and address of at least  
1350 one person who has the authority to manage the company.

1351 (f) Any additional information that is necessary or  
1352 appropriate to enable the department to carry out this chapter.

1353 (2) Information in the annual report must be current as of  
1354 the date the report is delivered to the department for filing.

1355 (3) The first annual report must be delivered to the  
1356 department between January 1 and May 1 of the year following the  
1357 calendar year in which the limited liability company's articles  
1358 of organization became effective or the foreign limited  
1359 liability company obtained a certificate of authority to  
1360 transact business in this state. Subsequent annual reports must  
1361 be delivered to the department between January 1 and May 1 of  
1362 each calendar year thereafter. If one or more forms of annual  
1363 report are submitted for a calendar year, the department shall  
1364 file each of them and make the information contained in them

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1365 part of the official record. The first form of annual report  
1366 filed in a calendar year shall be considered the annual report  
1367 for that calendar year, and each report filed after that one in  
1368 the same calendar year shall be treated as an amended report for  
1369 that calendar year.

1370 (4) If an annual report does not contain the information  
1371 required in this section, the department shall promptly notify  
1372 the reporting limited liability company or registered foreign  
1373 limited liability company. If the report is corrected to contain  
1374 the information required in subsection (1) and delivered to the  
1375 department within 30 days after the effective date of the  
1376 notice, it is timely delivered.

1377 (5) If an annual report contains the name or address of a  
1378 registered agent which differs from the information shown in the  
1379 records of the department immediately before the annual report  
1380 becomes effective, the differing information in the annual  
1381 report is considered a statement of change under s. 605.0114.

1382 (6) A limited liability company or foreign limited  
1383 liability company that fails to file an annual report that  
1384 complies with the requirements of this section may not maintain  
1385 or defend any action in a court of this state until the report  
1386 is filed and all fees and penalties due under this chapter are  
1387 paid, and shall be subject to dissolution or cancellation of its  
1388 certificate of authority to transact business as provided in  
1389 this chapter.

1390 (7) The department shall prescribe the forms, which may be  
1391 in an electronic format, on which to make the annual report  
1392 called for in this section and may substitute the uniform

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1393 business report pursuant to s. 606.06 as a means of satisfying  
1394 the requirement of this chapter.

1395 (8) As a condition of a merger under s. 605.1021, each  
1396 party to a merger which exists under the laws of this state, and  
1397 each party to the merger which exists under the laws of another  
1398 jurisdiction and has a certificate of authority to transact  
1399 business or conduct its affairs in this state, must be active  
1400 and current in filing its annual reports in the records of the  
1401 department through December 31 of the calendar year in which the  
1402 articles of merger are submitted to the department for filing.

1403 (9) As a condition of a conversion of an entity to a  
1404 limited liability company under s. 605.1041, the entity, if it  
1405 exists under the laws of this state, or if it exists under the  
1406 laws of another jurisdiction and has a certificate of authority  
1407 to transact business or conduct its affairs in this state, must  
1408 be active and current in filing its annual reports in the  
1409 records of the department through December 31 of the calendar  
1410 year in which the articles of conversion are submitted to the  
1411 department for filing.

1412 (10) As a condition of a conversion of a limited liability  
1413 company to another type of entity under s. 605.1041, the limited  
1414 liability company converting to the other type of entity must be  
1415 active and current in filing its annual reports in the records  
1416 of the department through December 31 of the calendar year in  
1417 which the articles of conversion are submitted to the department  
1418 for filing.

1419 (11) As a condition of an interest exchange between a  
1420 limited liability company and another entity under s. 605.1031,

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1421 the limited liability company and each other entity that is a  
1422 party to the interest exchange which exists under the laws of  
1423 this state, and each party to the interest exchange which exists  
1424 under the laws of another jurisdiction and has a certificate of  
1425 authority to transact business or conduct its affairs in this  
1426 state, must be active and current in filing its annual reports  
1427 in the records of the department through December 31 of the  
1428 calendar year in which the articles of interest exchange are  
1429 submitted to the department for filing.

1430 605.0213 Fees of the department.—The fees of the  
1431 department under this chapter are as follows:

1432 (1) For furnishing a certified copy, \$30.

1433 (2) For filing original articles of organization or  
1434 articles of revocation of dissolution, \$100.

1435 (3) For filing a foreign limited liability company's  
1436 application for a certificate of authority to transact business,  
1437 \$100.

1438 (4) For filing a certificate of merger of limited  
1439 liability companies or other business entities, \$25 per  
1440 constituent party to the merger, unless a specific fee is  
1441 required for a party under other applicable law.

1442 (5) For filing an annual report, \$50.

1443 (6) For filing an application for reinstatement after an  
1444 administrative or judicial dissolution or a revocation of  
1445 authority to transact business, \$100.

1446 (7) For filing a certificate designating a registered  
1447 agent or changing a registered agent, \$25.

1448 (8) For filing a registered agent's statement of

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1449 resignation from an active limited liability company, \$85.

1450 (9) For filing a registered agent's statement of  
1451 resignation from a dissolved limited liability company, \$25.

1452 (10) For filing a certificate of conversion of a limited  
1453 liability company, \$25.

1454 (11) For filing any other limited liability company  
1455 document, \$25.

1456 (12) For furnishing a certificate of status, \$5.

1457 605.0214 Powers of department.—The department has the  
1458 authority reasonably necessary to administer this chapter  
1459 efficiently, to perform the duties imposed upon it, and to adopt  
1460 reasonable rules necessary to carry out its duties and functions  
1461 under this chapter.

1462 605.0215 Certificates to be received in evidence and  
1463 evidentiary effect of copy of filed document.—All certificates  
1464 issued by the department in accordance with this chapter shall  
1465 be taken and received in all courts, public offices, and  
1466 official bodies as prima facie evidence of the facts stated. A  
1467 certificate from the department delivered with a copy of a  
1468 document filed by the department is conclusive evidence that the  
1469 original document is on file with the department.

1470 605.0216 Statement of dissociation or resignation.—

1471 (1) A member of a limited liability company may file a  
1472 statement of dissociation with the department containing the  
1473 following:

1474 (a) The name of the limited liability company.

1475 (b) The name and signature of the dissociating member.

1476 (c) The date the member withdrew or will withdraw.

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1477 (d) A statement that the company has been notified of the  
1478 dissociation in writing.

1479 (2) A manager in a manager-managed limited liability  
1480 company may file a statement of resignation with the department  
1481 containing the following:

1482 (a) The name of the limited liability company.

1483 (b) The name and signature of the resigning manager.

1484 (c) The date the resigning manager resigned or will  
1485 resign.

1486 (d) A statement that the limited liability company has  
1487 been notified of the resignation in writing.

1488 605.0301 Power to bind limited liability company.—A person  
1489 does not have the power to bind a limited liability company,  
1490 except to the extent the person:

1491 (1) Is an agent of the company by virtue of s. 605.04074;

1492 (2) Has the authority to do so under the articles of  
1493 organization or operating agreement of the company;

1494 (3) Has the authority to do so by a statement of authority  
1495 filed under s. 605.0302; or

1496 (4) Has the status of an agent of the company or the  
1497 authority or power to bind the company under a law other than  
1498 this chapter.

1499 605.0302 Statement of authority.—

1500 (1) A limited liability company may file a statement of  
1501 authority. The statement:

1502 (a) Must include the name of the company as it appears on  
1503 the records of the department, and the street and mailing  
1504 addresses of its principal office;

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1505 (b) With respect to a specified status or position of a  
1506 person in a company, whether as a member, transferee, manager,  
1507 officer, or otherwise, may state the authority or limitations on  
1508 the authority of all persons having such status or holding such  
1509 position to:

1510 1. Execute an instrument transferring real property held  
1511 in the name of the company; or

1512 2. Enter into other transactions on behalf of, or  
1513 otherwise act for or bind, the company; and

1514 (c) May state the authority or limitations on the  
1515 authority of a specific person to:

1516 1. Execute an instrument transferring real property held  
1517 in the name of the company; or

1518 2. Enter into other transactions on behalf of, or  
1519 otherwise act for or bind, the company.

1520 (2) To amend or cancel a statement of authority filed by  
1521 the department, a limited liability company must deliver to the  
1522 department for filing an amendment or cancellation stating the  
1523 following:

1524 (a) The name of the company as it appears on the records  
1525 of the department.

1526 (b) The street and mailing addresses of the limited  
1527 liability company's principal office.

1528 (c) The date the statement being affected became  
1529 effective.

1530 (d) The contents of the amendment or a declaration that  
1531 the affected statement is canceled.

1532 (3) A statement of authority affects only the power of a

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1533 person to bind a limited liability company to persons who are  
1534 not members.

1535 (4) Subject to subsection (3) and s. 605.0103(4) and  
1536 except as otherwise provided in subsections (6)-(8), a  
1537 limitation on the authority of a person or a status or position  
1538 contained in an effective statement of authority is not by  
1539 itself evidence of knowledge or notice of the limitation.

1540 (5) Subject to subsection (3) and ss. 605.0407-605.04074,  
1541 a grant of authority not pertaining to transfers of real  
1542 property and contained in an effective statement of authority is  
1543 conclusive in favor of a person who gives value in reliance on  
1544 the grant, except to the extent that when the person gives  
1545 value:

1546 (a) The person has knowledge to the contrary;

1547 (b) The statement has been canceled or restrictively  
1548 amended under subsection (2); or

1549 (c) A limitation on the grant is contained in another  
1550 statement of authority that became effective after the statement  
1551 containing the grant became effective.

1552 (6) Subject to subsection (3), an effective statement of  
1553 authority that grants authority to transfer real property held  
1554 in the name of the limited liability company, a certified copy  
1555 of which statement is recorded in the office for recording  
1556 transfers of the real property, is conclusive in favor of a  
1557 person who gives value in reliance on the grant without  
1558 knowledge to the contrary, except to the extent that when the  
1559 person gives value:

1560 (a) The statement has been canceled or restrictively



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1561 amended under subsection (2) and a certified copy of the  
1562 cancellation or restrictive amendment has been recorded in the  
1563 office for recording transfers of the real property; or

1564 (b) A limitation on the grant is contained in another  
1565 statement of authority that became effective after the statement  
1566 containing the grant became effective and a certified copy of  
1567 the later effective statement is recorded in the office for  
1568 recording transfers of the real property.

1569 (7) Subject to subsection (3), if a certified copy of an  
1570 effective statement of authority containing a limitation on the  
1571 authority to transfer real property held in the name of a  
1572 limited liability company is recorded in the office for  
1573 recording transfers of that real property, all persons are  
1574 deemed to know of the limitation.

1575 (8) Subject to subsection (9), effective articles of  
1576 dissolution or termination effectuate a cancellation of a filed  
1577 statement of authority for the purposes of subsection (6) and  
1578 limit authority for the purposes of subsection (7).

1579 (9) After a company's articles of dissolution become  
1580 effective, a limited liability company may deliver to the  
1581 department for filing and, if appropriate, may record a  
1582 statement of authority in accordance with subsection (1) which  
1583 is designated as a post-dissolution statement of authority. The  
1584 statement operates as provided in subsections (6) and (7).

1585 (10) Unless earlier canceled, an effective statement of  
1586 authority is canceled by operation of law 5 years after the date  
1587 on which the statement, or its most recent amendment, becomes  
1588 effective. This cancellation operates without need for a

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1589 recording under subsection (6) or subsection (7). An effective  
1590 statement of denial operates as a restrictive amendment under  
1591 this section and may be recorded by certified copy for the  
1592 purposes of paragraph (6) (a).

1593 (11) A statement of dissociation or a statement of  
1594 resignation filed pursuant to s. 605.0216 terminates the  
1595 authority of the person who filed the statement.

1596 605.0303 Statement of denial.—A person who is named in a  
1597 filed statement of authority granting that person authority may  
1598 deliver to the department for filing a statement of denial  
1599 signed by that person which:

1600 (1) Provides the name of the limited liability company and  
1601 the caption of the statement of authority to which the statement  
1602 of denial pertains; and

1603 (2) Denies the grant of authority.

1604 605.0304 Liability of members and managers.—

1605 (1) A debt, obligation, or other liability of a limited  
1606 liability company is solely the debt, obligation, or other  
1607 liability of the company. A member or manager is not personally  
1608 liable, directly or indirectly, by way of contribution or  
1609 otherwise, for a debt, obligation, or other liability of the  
1610 company solely by reason of being or acting as a member or  
1611 manager. This subsection applies regardless of the dissolution  
1612 of the company.

1613 (2) The failure of a limited liability company to observe  
1614 formalities relating to the exercise of its powers or management  
1615 of its activities and affairs is not a ground for imposing  
1616 liability on a member or manager of the company for a debt,

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1617 obligation, or other liability of the company.

1618 (3) The limitation of liability in this section is in  
1619 addition to the limitations of liability provided for in s.  
1620 605.04093.

1621 605.0401 Becoming a member.-

1622 (1) If a limited liability company is to have only one  
1623 member upon formation, the person becomes a member as agreed by  
1624 that person and the authorized representative of the company.  
1625 That person and the authorized representative may be, but need  
1626 not be, different persons. If different persons, the authorized  
1627 representative acts on behalf of the initial member.

1628 (2) If a limited liability company is to have more than  
1629 one member upon formation, those persons become members as  
1630 agreed by the persons before the formation of the company. The  
1631 authorized representative acts on behalf of the persons in  
1632 forming the company and may be, but need not be, one of the  
1633 persons.

1634 (3) After formation of a limited liability company, a  
1635 person becomes a member:

1636 (a) As provided in the operating agreement;

1637 (b) As the result of a merger, interest exchange  
1638 conversion, or domestication under ss. 605.1001-605.1072, as  
1639 applicable;

1640 (c) With the consent of all the members; or

1641 (d) As provided in s. 605.0701(3).

1642 (4) A person may become a member without acquiring a  
1643 transferable interest and without making or being obligated to  
1644 make a contribution to the limited liability company.

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1645 605.0402 Form of contribution.—A contribution may consist  
1646 of tangible or intangible property or other benefit to a limited  
1647 liability company, including money, services performed,  
1648 promissory notes, other agreements to contribute money or  
1649 property, and contracts for services to be performed.

1650 605.0403 Liability for contributions.—

1651 (1) A promise by a person to contribute to the limited  
1652 liability company is not enforceable unless it is set out in a  
1653 writing signed by the person.

1654 (2) A person's obligation to make a contribution to a  
1655 limited liability company is not excused by the person's death,  
1656 disability, or other inability to perform personally.

1657 (3) If a person does not fulfill an obligation to make a  
1658 contribution other than money, the person is obligated at the  
1659 option of the limited liability company to contribute money  
1660 equal to the value of the part of the contribution that has not  
1661 been made. The foregoing option is in addition to and not in  
1662 lieu of other rights, including the right to specific  
1663 performance, that the limited liability company may have against  
1664 the person under the articles of organization or operating  
1665 agreement or applicable law.

1666 (4) The obligation of a person to make a contribution may  
1667 be compromised only by consent of all members. If a creditor of  
1668 a limited liability company extends credit or otherwise acts in  
1669 reliance on an obligation described in subsection (1) without  
1670 notice of a compromise under this subsection, the creditor may  
1671 enforce the obligation.

1672 (5) An operating agreement may provide that the limited

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1673 liability company interest of a member who fails to make a  
1674 contribution that the member is obligated to make is subject to  
1675 specified penalties for or specified consequences of the  
1676 failure. The penalty or consequence may take the form of  
1677 reducing or eliminating the defaulting member's proportionate  
1678 interest in a limited liability company, subordinating the  
1679 defaulting member's limited liability company interest to that  
1680 of nondefaulting members, a forced sale of that limited  
1681 liability company interest, forfeiture of the defaulting  
1682 member's limited liability company interest, the lending by  
1683 other members of the amount necessary to meet the defaulting  
1684 member's commitment, a fixing of the value of the defaulting  
1685 member's limited liability company interest by appraisal or by  
1686 formula and redemption or sale of the defaulting member's  
1687 limited liability company interest at such value, or other  
1688 penalty or consequence.

1689 605.0404 Sharing of distributions before dissolution and  
1690 profits and losses.—

1691 (1) Distributions made by a limited liability company  
1692 before its dissolution and winding up must be shared by the  
1693 members and persons dissociated as members on the basis of the  
1694 agreed value, as stated in the company's records, of the  
1695 contributions made by each of members and persons dissociated as  
1696 members to the extent that the contributions have been received  
1697 by the company, except to the extent necessary to comply with a  
1698 transfer effective under s. 605.0502 or charging order in effect  
1699 under s. 605.0503.

1700 (2) A person has a right to a distribution before the

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1701 dissolution and winding up of a limited liability company only  
1702 if the company decides to make an interim distribution. A  
1703 person's dissociation does not entitle the person to a  
1704 distribution.

1705 (3) A person does not have a right to demand or receive a  
1706 distribution from a limited liability company in a form other  
1707 than money. Except as otherwise provided in s. 605.0710(4), a  
1708 limited liability company may distribute an asset in kind only  
1709 if each part of the asset is fungible with each other part and  
1710 each person receives a percentage of the asset equal in value to  
1711 the person's share of distributions.

1712 (4) If a member or transferee becomes entitled to receive  
1713 a distribution, the member or transferee has the status of and  
1714 is entitled to all remedies available to a creditor of the  
1715 limited liability company with respect to the distribution.

1716 (5) Profits and losses of a limited liability company must  
1717 be allocated among the members and persons dissociated as  
1718 members on the basis of the agreed value, as stated in the  
1719 company's records, of the contributions made by each of the  
1720 members and persons dissociated as members to the extent that  
1721 the contributions have been received by the company.

1722 605.0405 Limitations on distributions.-

1723 (1) A limited liability company may not make a  
1724 distribution, including a distribution under s. 605.0710, if  
1725 after the distribution:

1726 (a) The company would not be able to pay its debts as they  
1727 become due in the ordinary course of the company's activities  
1728 and affairs; or

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1729 (b) The company's total assets would be less than the sum  
1730 of its total liabilities, plus the amount that would be needed  
1731 if the company were to be dissolved and wound up at the time of  
1732 the distribution, to satisfy the preferential rights upon  
1733 dissolution and winding up of members and transferees whose  
1734 preferential rights are superior to those of persons receiving  
1735 the distribution.

1736 (2) A limited liability company may base a determination  
1737 that a distribution is not prohibited under subsection (1) on:

1738 (a) Financial statements prepared on the basis of  
1739 accounting practices and principles that are reasonable under  
1740 the circumstances; or

1741 (b) A fair valuation or other method that is reasonable  
1742 under the circumstances.

1743 (3) Except as otherwise provided in subsection (5), the  
1744 effect of a distribution under subsection (1) is measured:

1745 (a) In the case of a distribution by purchase, redemption,  
1746 or other acquisition of a transferable interest in the company,  
1747 as of the earlier of the date on which:

1748 1. Money or other property is transferred or the debt is  
1749 incurred by the company; and

1750 2. The person entitled to distribution ceases to own the  
1751 interest or right being acquired by the company in return for  
1752 the distribution.

1753 (b) In the case of a distribution of indebtedness, as of  
1754 the date on which the indebtedness is distributed.

1755 (c) In all other cases, as of the date on which:

1756 1. The distribution is authorized if the payment occurs

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1757 within 120 days after that date; or

1758 2. The payment is made if the payment occurs more than 120  
1759 days after the distribution is authorized.

1760 (4) A limited liability company's indebtedness to a member  
1761 or transferee incurred by reason of a distribution made in  
1762 accordance with this section is at parity with the company's  
1763 indebtedness to its general, unsecured creditors, except to the  
1764 extent subordinated by agreement.

1765 (5) A limited liability company's indebtedness, including  
1766 indebtedness issued as a distribution, is not a liability for  
1767 purposes of subsection (1) if the terms of the indebtedness  
1768 provide that payment of principal and interest is made only if  
1769 and to the extent that a distribution could then be made under  
1770 this section. If the indebtedness is issued as a distribution,  
1771 and by its terms provides that the payments of principal and  
1772 interest are made only to the extent a distribution could be  
1773 made under this section, then each payment of principal or  
1774 interest of that indebtedness is treated as a distribution, the  
1775 effect of which is measured on the date the payment is actually  
1776 made.

1777 (6) In measuring the effect of a distribution under s.  
1778 605.0710, the liabilities of a dissolved limited liability  
1779 company do not include a claim that is disposed of under ss.  
1780 605.0710-605.0713.

1781 605.0406 Liability for improper distributions.-

1782 (1) Except as otherwise provided in subsection (2), if a  
1783 member of a member-managed limited liability company or manager  
1784 of a manager-managed limited liability company consents to a



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1785 distribution made in violation of s. 605.0405 and, in consenting  
1786 to the distribution, fails to comply with s. 605.04091, the  
1787 member or manager is personally liable to the company for the  
1788 amount of the distribution which exceeds the amount that could  
1789 have been distributed without the violation of s. 605.0405.

1790 (2) To the extent the operating agreement of a member-  
1791 managed limited liability company expressly relieves a member of  
1792 the authority and responsibility to consent to distributions and  
1793 imposes that authority and responsibility on one or more other  
1794 members, the liability in subsection (1) applies to the other  
1795 members and not the member that the operating agreement relieves  
1796 of authority and responsibility.

1797 (3) A person who receives a distribution knowing that the  
1798 distribution violated s. 605.0405 is personally liable to the  
1799 limited liability company, but only to the extent that the  
1800 distribution received by the person exceeded the amount that  
1801 could have been properly paid under s. 605.0405.

1802 (4) A person against whom an action is commenced because  
1803 that person is or may be liable under subsection (1) may:

1804 (a) Implead another person who is or may be liable under  
1805 subsection (1) and seek to enforce a right of contribution from  
1806 the person; or

1807 (b) Implead a person who received a distribution in  
1808 violation of subsection (3) and seek to enforce a right of  
1809 contribution from an impleaded person in the amount the person  
1810 received in violation of subsection (3).

1811 (5) An action under this section is barred unless  
1812 commenced within 2 years after the distribution.

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1813 605.0407 Management of limited liability company.-

1814 (1) A limited liability company is a member-managed  
1815 limited liability company unless the operating agreement or  
1816 articles of organization:

1817 (a) Expressly provide that:

1818 1. The company is or will be manager-managed;

1819 2. The company is or will be managed by managers; or

1820 3. Management of the company is or will be vested in  
1821 managers; or

1822 (b) Include words of similar import to those in 1.-3.  
1823 except that, unless the context in which the expression is used  
1824 otherwise requires, the terms "managing member" and "managing  
1825 members" do not, in and of themselves, constitute words of  
1826 similar import for this purpose.

1827 (2) In a member-managed limited liability company, the  
1828 management and conduct of the company are vested in the members,  
1829 except as expressly provided in this chapter.

1830 (3) In a manager-managed limited liability company, a  
1831 matter relating to the activities and affairs of the company is  
1832 decided exclusively by the manager, or if there is more than one  
1833 manager, by the managers, except as expressly provided in this  
1834 chapter.

1835 (4) A member is not entitled to remuneration for services  
1836 performed for a member-managed limited liability company, except  
1837 for reasonable compensation for services rendered in winding up  
1838 the activities and affairs of the company, in the absence of an  
1839 agreement to the contrary.

1840 (5) A limited liability company shall reimburse a member

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1841 for an advance to the company beyond the amount of capital the  
1842 member agreed to contribute.

1843 (6) The dissolution of a limited liability company does  
1844 not affect the applicability of ss. 605.0407-605.04074. However,  
1845 a person who wrongfully causes dissolution of the company loses  
1846 the right to participate in management as a member and a  
1847 manager.

1848 605.04071 Delegation of rights and powers to manage.-A  
1849 member or manager of a limited liability company has the power  
1850 and authority to delegate to one or more other persons the  
1851 member's or manager's, as the case may be, rights and powers to  
1852 manage and control the business and affairs of the limited  
1853 liability company, including the power and authority to delegate  
1854 to agents, boards of managers, members, or directors, officers  
1855 and assistant officers, and employees of a member or manager of  
1856 the limited liability company, and the power and authority to  
1857 delegate by a management agreement or similar agreement with, or  
1858 otherwise to other persons. The delegation by a member or  
1859 manager will not cause the member or manager to cease to be a  
1860 member or manager, as the case may be, of the limited liability  
1861 company.

1862 605.04072 Selection and terms of managers in a manager-  
1863 managed limited liability company.-In a manager-managed limited  
1864 liability company, the following rules apply:

1865 (1) A manager may be chosen at any time by the consent of  
1866 the member or members holding more than 50 percent of the then-  
1867 current percentage or other interest in the profits of the  
1868 limited liability company owned by all of its members.

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- 1869       (2) A person need not be a member to be a manager.
- 1870       (3) A person chosen as a manager continues as a manager  
1871 until a successor is chosen, unless the manager at an earlier  
1872 time resigns, is removed, or dies or, in the case of a manager  
1873 that is not an individual, terminates.
- 1874       (4) A manager may be removed at any time without notice or  
1875 cause by the consent of the member or members holding more than  
1876 50 percent of the then-current percentage or other interest in  
1877 the profits of the limited liability company owned by all of its  
1878 members.
- 1879       (5) The dissociation of a member who is also a manager  
1880 removes the person as a manager.
- 1881       (6) If a person who is both a manager and a member ceases  
1882 to be a manager, that cessation does not, by itself, dissociate  
1883 the person as a member.
- 1884       (7) A person's ceasing to be a manager does not discharge  
1885 a debt, obligation, or other liability to the limited liability  
1886 company or members which the person incurred while a manager.
- 1887       605.04073 Voting rights of members and managers.-
- 1888       (1) In a member-managed limited liability company, the  
1889 following rules apply:
- 1890       (a) Each member has the right to vote with respect to the  
1891 management and conduct of the company's activities and affairs.
- 1892       (b) Each member's vote is proportionate to that member's  
1893 then-current percentage or other interest in the profits of the  
1894 limited liability company owned by all members.
- 1895       (c) Except as otherwise provided in this chapter, the  
1896 affirmative vote or consent of a majority-in-interest of the

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1897 members is required to undertake an act, whether within or  
1898 outside the ordinary course of the company's activities and  
1899 affairs, including a transaction under ss. 605.1001-605.1072.

1900 (d) The operating agreement and articles of organization  
1901 may be amended only with the affirmative vote or consent of all  
1902 members.

1903 (2) In a manager-managed limited liability company, the  
1904 following rules apply:

1905 (a) Each manager has equal rights in the management and  
1906 conduct of the company's activities and affairs.

1907 (b) Except as expressly provided in this chapter, a matter  
1908 relating to the activities and affairs of the company shall be  
1909 decided by the manager; if there is more than one manager, by  
1910 the affirmative vote or consent of a majority of the managers;  
1911 or if the action is taken without a meeting, by the managers'  
1912 unanimous consent in a record.

1913 (c) Each member's vote is proportionate to that member's  
1914 then-current percentage or other interest in the profits of the  
1915 limited liability company owned by all members.

1916 (d) Except as otherwise provided in this chapter, the  
1917 affirmative vote or consent of a majority-in-interest of the  
1918 members is required to undertake an act outside the ordinary  
1919 course of the company's activities and affairs, including a  
1920 transaction under ss. 605.1001-605.1072.

1921 (e) The operating agreement and articles of organization  
1922 may be amended only with the affirmative vote or consent of all  
1923 members.

1924 (3) If a member has transferred all or a portion of the

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1925 member's transferable interest in the limited liability company  
1926 to a person who is not admitted as a member and if the  
1927 transferring member has not been dissociated in accordance with  
1928 s. 605.0602(5)(b), the transferring member continues to be  
1929 entitled to vote on an action reserved to the members, with the  
1930 vote of the transferring member being proportionate to the then-  
1931 current percentage or other interest in the profits of the  
1932 limited liability company owned by all members that the  
1933 transferring member would have if the transfer had not occurred.

1934 (4) An action requiring the vote or consent of members  
1935 under this chapter may be taken without a meeting, and a member  
1936 may appoint a proxy or other agent to vote or consent for the  
1937 member by signing an appointing record, personally or by the  
1938 member's agent. On an action taken by fewer than all of the  
1939 members without a meeting, notice of the action must be given to  
1940 those members who did not consent in writing to the action or  
1941 who were not entitled to vote on the action within 10 days after  
1942 the action was taken.

1943 (5) An action requiring the vote or consent of managers  
1944 under this chapter may be taken without a meeting if the action  
1945 is unanimously approved by the managers in a record. A manager  
1946 may appoint a proxy or other agent to vote or consent for the  
1947 manager by signing an appointing record, personally or by the  
1948 manager's agent.

1949 (6) Meetings of members and meetings of managers may be  
1950 held by a conference telephone call or other communications  
1951 equipment if all persons participating in the meeting can hear  
1952 each other. Participation in a meeting pursuant to this

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1953 subsection constitutes presence in person at the meeting.

1954 605.04074 Agency rights of members and managers.—

1955 (1) In a member-managed limited liability company, the  
1956 following rules apply:

1957 (a) Except as provided in subsection (3), each member is  
1958 an agent of the limited liability company for the purpose of its  
1959 activities and affairs. An act of a member, including signing an  
1960 agreement or instrument of transfer in the name of the company  
1961 for apparently carrying on in the ordinary course of the  
1962 company's activities and affairs or activities and affairs of  
1963 the kind carried on by the company, binds the company unless the  
1964 member had no authority to act for the company in the particular  
1965 matter and the person with whom the member was dealing knew or  
1966 had notice that the member lacked authority.

1967 (b) An act of a member which is not done for apparently  
1968 carrying on in the ordinary course of the limited liability  
1969 company's activities and affairs or activities and affairs of  
1970 the kind carried on by the company, binds the company only if  
1971 the act was authorized by appropriate vote of the members.

1972 (2) In a manager-managed limited liability company, the  
1973 following rules apply:

1974 (a) A member is not an agent of the limited liability  
1975 company for the purpose of its business solely by reason of  
1976 being a member.

1977 (b) Except as provided in subsection (3), each manager is  
1978 an agent of the limited liability company for the purpose of its  
1979 activities and affairs, and an act of a manager, including  
1980 signing an agreement or instrument of transfer in the name of

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1981 the company, for apparently carrying on in the ordinary course  
1982 of the company's activities and affairs or activities and  
1983 affairs of the kind carried on by the company, binds the company  
1984 unless the manager had no authority to act for the company in  
1985 the particular matter and the person with whom the manager was  
1986 dealing knew or had notice that the manager lacked authority.

1987 (c) An act of a manager which is not apparently for  
1988 carrying on in the ordinary course of the limited liability  
1989 company's activities and affairs or activities and affairs of  
1990 the kind carried on by the company, binds the company only if  
1991 the act was authorized by appropriate vote of the members.

1992 (3) Unless a certified statement of authority recorded in  
1993 the applicable real estate records limits the authority of a  
1994 member or a manager, a member of a member-managed company or a  
1995 manager of a manager-managed company may sign and deliver an  
1996 instrument transferring or affecting the limited liability  
1997 company's interest in real property. The instrument is  
1998 conclusive in favor of a person who gives value without  
1999 knowledge of the lack of the authority of the person signing and  
2000 delivering the instrument.

2001 605.0408 Reimbursement, indemnification, advancement, and  
2002 insurance.-

2003 (1) A limited liability company may reimburse a member of  
2004 a member-managed company or a manager of a manager-managed  
2005 company for any payment made by the member or manager in the  
2006 course of the member's or manager's activities on behalf of the  
2007 company if the member or manager complied with ss. 605.0407-  
2008 605.04074, this section, and s. 605.04091 in making the payment.



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2009       (2) A limited liability company may indemnify and hold  
2010 harmless a person with respect to a claim or demand against the  
2011 person and a debt, obligation, or other liability incurred by  
2012 the person by reason of the person's former or present capacity  
2013 as a member or manager if the claim, demand, debt, obligation,  
2014 or other liability does not arise from the person's breach of s.  
2015 605.0405, s. 605.0407, s. 605.04071, s. 605.04072, s. 605.04073,  
2016 s. 605.04074, or s. 605.04091.

2017       (3) In the ordinary course of its activities and affairs,  
2018 a limited liability company may advance reasonable expenses,  
2019 including attorney fees and costs, incurred by a person in  
2020 connection with a claim or demand against the person by reason  
2021 of the person's former or present capacity as a member or  
2022 manager if the person promises to repay the company in the event  
2023 that the person ultimately is determined not to be entitled to  
2024 be indemnified under subsection (2).

2025       (4) A limited liability company may purchase and maintain  
2026 insurance on behalf of a member or manager of the company  
2027 against liability asserted against or incurred by the member or  
2028 manager in that capacity or arising from that status even if:

2029       (a) Under s. 605.0105(3)(g) the operating agreement could  
2030 not eliminate or limit the person's liability to the company for  
2031 the conduct giving rise to the liability; and

2032       (b) Under s. 605.0105(3)(p) the operating agreement could  
2033 not provide for indemnification for the conduct giving rise to  
2034 the liability.

2035       605.04091 Standards of conduct for members and managers.-

2036       (1) Each manager of a manager-managed limited liability

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2037 company and member of a member-managed limited liability company  
2038 owes fiduciary duties of loyalty and care to the limited  
2039 liability company and members of the limited liability company.

2040 (2) The duty of loyalty is limited to:

2041 (a) Accounting to the limited liability company and  
2042 holding as trustee for it any property, profit, or benefit  
2043 derived by the manager or member, as applicable:

2044 1. In the conduct or winding up of the company's  
2045 activities and affairs;

2046 2. From the use by the member or manager of the company's  
2047 property; or

2048 3. From the appropriation of a company opportunity;

2049 (b) Refraining from dealing with the company in the  
2050 conduct or winding up of the company's activities and affairs  
2051 as, or on behalf of, a person having an interest adverse to the  
2052 company, except to the extent that a transaction satisfies the  
2053 requirements of this section; and

2054 (c) Refraining from competing with the company in the  
2055 conduct of the company's activities and affairs before the  
2056 dissolution of the company.

2057 (3) The duty of care in the conduct or winding up of the  
2058 company's activities and affairs is limited to refraining from  
2059 engaging in grossly negligent or reckless conduct, willful or  
2060 intentional misconduct, or a knowing violation of law.

2061 (4) A manager of a manager-managed limited liability  
2062 company and a member of a member-managed limited liability  
2063 company shall discharge their duties and obligations under this  
2064 chapter or under the operating agreement and exercise any rights

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2065 consistently with the obligation of good faith and fair dealing.

2066 (5) A manager of a manager-managed limited liability  
2067 company or a member of a member-managed limited liability  
2068 company does not violate a duty or obligation under this chapter  
2069 or under the operating agreement solely because the manager's or  
2070 member's conduct furthers the manager's or member's own  
2071 interest.

2072 (6) In discharging his, her, or its duties, a manager of a  
2073 manager-managed limited liability company or a member of a  
2074 member-managed limited liability company is entitled to rely on  
2075 information, opinions, reports, or statements, including  
2076 financial statements and other financial data, if prepared or  
2077 presented by any of the following:

2078 (a) One or more members or employees of the limited  
2079 liability company whom the manager or member reasonably believes  
2080 to be reliable and competent in the matters presented.

2081 (b) Legal counsel, public accountants, or other persons as  
2082 to matters the manager or member reasonably believes are within  
2083 the persons' professional or expert competence.

2084 (c) A committee of managers or members of which the  
2085 affected manager or member is not a participant, if the manager  
2086 or member reasonably believes the committee merits confidence.

2087 (7) A manager or member, as applicable, is not acting in  
2088 good faith if the manager or member has knowledge concerning the  
2089 matter in question which makes reliance otherwise authorized  
2090 under subsection (6) unwarranted.

2091 (8) In discharging his, her, or its duties, a manager of a  
2092 manager-managed limited liability company or member of a member-

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2093 managed limited liability company may consider factors that the  
2094 manager or member deems relevant, including the long-term  
2095 prospects and interests of the limited liability company and its  
2096 members, and the social, economic, legal, or other effects of  
2097 any action on the employees, suppliers, and customers of the  
2098 limited liability company, the communities and society in which  
2099 the limited liability company operates, and the economy of this  
2100 state and the nation.

2101 (9) This section applies to a person winding up the  
2102 limited liability company activities and affairs as the legal  
2103 representative of the last surviving member as if such person  
2104 were subject to this section.

2105 605.04092 Conflict of interest transactions.-

2106 (1) As used in this section, the following terms and  
2107 definitions apply:

2108 (a) A member or manager is "indirectly" a party to a  
2109 transaction if that member or manager has a material financial  
2110 interest in or is a director, officer, member, manager, or  
2111 partner of a person, other than the limited liability company,  
2112 who is a party to the transaction.

2113 (b) A member or manager has an "indirect material  
2114 financial interest" if a spouse or other family member has a  
2115 material financial interest in the transaction, other than  
2116 having an indirect interest as a member or manager of the  
2117 limited liability company, or if the transaction is with an  
2118 entity, other than the limited liability company, which has a  
2119 material financial interest in the transaction and controls, or  
2120 is controlled by, the member or manager or another person

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2121 specified in this subsection.

2122 (c) "Fair to the limited liability company" means that the  
2123 transaction, as a whole, is beneficial to the limited liability  
2124 company and its members, taking into appropriate account whether  
2125 it is:

2126 1. Fair in terms of the member's or manager's dealings  
2127 with the limited liability company in connection with that  
2128 transaction; and

2129 2. Comparable to what might have been obtainable in an  
2130 arm's length transaction.

2131 (2) If the requirements of this section have been  
2132 satisfied, a transaction between a limited liability company and  
2133 one or more of its members or managers, or another entity in  
2134 which one or more of the limited liability company's members or  
2135 managers have a financial or other interest, is not void or  
2136 voidable because of that relationship or interest; because the  
2137 members or managers are present at the meeting of the members or  
2138 managers at which the transaction was authorized, approved,  
2139 effectuated, or ratified; or because the votes of the members or  
2140 managers are counted for such purpose.

2141 (3) If a transaction is fair to the limited liability  
2142 company at the time it is authorized, approved, effectuated, or  
2143 ratified, the fact that a member or manager of the limited  
2144 liability company is directly or indirectly a party to the  
2145 transaction, other than being an indirect party as a result of  
2146 being a member or manager of the limited liability company, or  
2147 has a direct or indirect material financial interest or other  
2148 interest in the transaction, other than having an indirect

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2149 interest as a result of being a member or manager of the limited  
2150 liability company, is not grounds for equitable relief and does  
2151 not give rise to an award of damages or other sanctions.

2152 (4) (a) In a proceeding challenging the validity of a  
2153 transaction described in subsection (3), the person challenging  
2154 the validity has the burden of proving the lack of fairness of  
2155 the transaction if:

2156 1. In a manager-managed limited liability company, the  
2157 material facts of the transaction and the member's or manager's  
2158 interest in the transaction were disclosed or known to the  
2159 managers or a committee of managers who voted upon the  
2160 transaction and the transaction was authorized, approved, or  
2161 ratified by a majority of the disinterested managers even if the  
2162 disinterested managers constitute less than a quorum; however,  
2163 the transaction cannot be authorized, approved, or ratified  
2164 under this subsection solely by a single manager; and

2165 2. In a member-managed limited liability company, or a  
2166 manager-managed limited liability company in which the managers  
2167 have failed to or cannot act under subparagraph 1., the material  
2168 facts of the transaction and the member's or manager's interest  
2169 in the transaction were disclosed or known to the members who  
2170 voted upon such transaction and the transaction was authorized,  
2171 approved, or ratified by a majority-in-interest of the  
2172 disinterested members even if the disinterested members  
2173 constitute less than a quorum; however, the transaction cannot  
2174 be authorized, approved, or ratified under this subsection  
2175 solely by a single member; or

2176 (b) If neither of the conditions provided in paragraph (a)

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2177 has been satisfied, the person defending or asserting the  
2178 validity of a transaction described in subsection (3) has the  
2179 burden of proving its fairness in a proceeding challenging the  
2180 validity of the transaction.

2181 (5) The presence of or a vote cast by a manager or member  
2182 with an interest in the transaction does not affect the validity  
2183 of an action taken under paragraph (4) (a) if the transaction is  
2184 otherwise authorized, approved, or ratified as provided in that  
2185 subsection, but the presence or vote of the manager or member  
2186 may be counted for purposes of determining whether the  
2187 transaction is approved under other sections of this chapter.

2188 (6) In addition to other grounds for challenge, a party  
2189 challenging the validity of the transaction is not precluded  
2190 from asserting and proving that a particular member or manager  
2191 was not disinterested on grounds of financial or other interest  
2192 for purposes of the vote on, consent to, or approval of the  
2193 transaction.

2194 605.04093 Limitation of liability of managers and  
2195 members.-

2196 (1) A manager in a manager-managed limited liability  
2197 company or a member in a member-managed limited liability  
2198 company is not personally liable for monetary damages to the  
2199 limited liability company, its members, or any other person for  
2200 any statement, vote, decision, or failure to act regarding  
2201 management or policy decisions by a manager in a manager-managed  
2202 limited liability company or a member in a member-managed  
2203 limited liability company unless:

2204 (a) The manager or member breached or failed to perform

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2205 the duties as a manager in a manager-managed limited liability  
2206 company or a member in a member-managed limited liability  
2207 company; and

2208 (b) The manager's or member's breach of, or failure to  
2209 perform, those duties constitutes any of the following:

2210 1. A violation of the criminal law unless the manager or  
2211 member had a reasonable cause to believe his, her, or its  
2212 conduct was lawful or had no reasonable cause to believe such  
2213 conduct was unlawful. A judgment or other final adjudication  
2214 against a manager or member in any criminal proceeding for a  
2215 violation of the criminal law estops that manager or member from  
2216 contesting the fact that such breach, or failure to perform,  
2217 constitutes a violation of the criminal law, but does not estop  
2218 the manager or member from establishing that he, she, or it had  
2219 reasonable cause to believe that his, her, or its conduct was  
2220 lawful or had no reasonable cause to believe that such conduct  
2221 was unlawful.

2222 2. A transaction from which the manager or member derived  
2223 an improper personal benefit, directly or indirectly.

2224 3. A distribution in violation of s. 605.0406.

2225 4. In a proceeding by or in the right of the limited  
2226 liability company to procure a judgment in its favor or by or in  
2227 the right of a member, conscious disregard of the best interest  
2228 of the limited liability company, or willful misconduct.

2229 5. In a proceeding by or in the right of someone other  
2230 than the limited liability company or a member, recklessness or  
2231 an act or omission that was committed in bad faith or with  
2232 malicious purpose or in a manner exhibiting wanton and willful



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2233 disregard of human rights, safety, or property.

2234 (2) As used in this section, the term "recklessness" means  
2235 acting or failing to act in conscious disregard of a risk known,  
2236 or a risk so obvious that it should have been known, to the  
2237 manager in a manager-managed limited liability company or the  
2238 member in a member-managed limited liability company, and known  
2239 to the manager or member, or so obvious that it should have been  
2240 known, to be so great as to make it highly probable that harm  
2241 would follow from such action or failure to act.

2242 (3) A manager in a manager-managed limited liability  
2243 company or a member in a member-managed limited liability  
2244 company is deemed not to have derived an improper personal  
2245 benefit from any transaction if the transaction has been  
2246 approved in the manner as is provided in s. 605.04092 or is fair  
2247 to the limited liability company as defined in s.  
2248 605.04092(1)(c).

2249 (4) The circumstances set forth in subsection (3) are not  
2250 exclusive and do not preclude the existence of other  
2251 circumstances under which a manager in a manager-managed limited  
2252 liability company or a member in a member-managed limited  
2253 liability company will be deemed not to have derived an improper  
2254 benefit.

2255 605.0410 Records to be kept; rights of member, manager,  
2256 and person dissociated to information.—

2257 (1) A limited liability company shall keep at its  
2258 principal office or another location the following records:

2259 (a) A current list of the full names and last known  
2260 business, residence, or mailing addresses of each member and

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2261 manager.

2262 (b) A copy of the then-effective operating agreement, if  
2263 made in a record, and all amendments thereto if made in a  
2264 record.

2265 (c) A copy of the articles of organization, articles of  
2266 merger, articles of interest exchange, articles of conversion,  
2267 and articles of domestication, and other documents and all  
2268 amendments thereto, concerning the limited liability company  
2269 which were filed with the department, together with executed  
2270 copies of any powers of attorney pursuant to which any articles  
2271 of organization or such other documents were executed.

2272 (d) Copies of the limited liability company's federal,  
2273 state, and local income tax returns and reports, if any, for the  
2274 3 most recent years.

2275 (e) Copies of the financial statements of the limited  
2276 liability company, if any, for the 3 most recent years.

2277 (f) Unless contained in an operating agreement made in a  
2278 record, a record stating the amount of cash and a description  
2279 and statement of the agreed value of the property or other  
2280 benefits contributed and agreed to be contributed by each  
2281 member, and the times at which or occurrence of events upon  
2282 which additional contributions agreed to be made by each member  
2283 are to be made.

2284 (2) In a member-managed limited liability company, the  
2285 following rules apply:

2286 (a) Upon reasonable notice, a member may inspect and copy  
2287 during regular business hours, at a reasonable location  
2288 specified by the company:

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2289 1. The records described in subsection (1); and

2290 2. Each other record maintained by the company regarding  
2291 the company's activities, affairs, financial condition, and  
2292 other circumstances, to the extent the information is material  
2293 to the member's rights and duties under the operating agreement  
2294 or this chapter.

2295 (b) The company shall furnish to each member:

2296 1. Without demand, any information concerning the  
2297 company's activities, affairs, financial condition, and other  
2298 circumstances that the company knows and are material to the  
2299 proper exercise of the member's rights and duties under the  
2300 operating agreement or this chapter, except to the extent the  
2301 company can establish that it reasonably believes the member  
2302 already knows the information; and

2303 2. On demand, other information concerning the company's  
2304 activities, affairs, financial condition, and other  
2305 circumstances, except to the extent the demand or information  
2306 demanded is unreasonable or otherwise improper under the  
2307 circumstances.

2308 (c) The duty to furnish information under this subsection  
2309 also applies to each member to the extent the member knows any  
2310 of the information described in this subsection.

2311 (3) In a manager-managed limited liability company, the  
2312 following rules apply:

2313 (a) The informational rights stated in subsection (2) and  
2314 the duty stated in paragraph (2) (c) apply to the managers and  
2315 not to the members.

2316 (b) During regular business hours and at a reasonable

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2317 location specified by the company, a member may inspect and  
2318 copy:

2319 1. The records described in subsection (1);

2320 2. Full information regarding the activities, affairs,  
2321 financial condition, and other circumstances of the company as  
2322 is just and reasonable if:

2323 a. The member seeks the information for a purpose  
2324 reasonably related to the member's interest as a member; or

2325 b. The member makes a demand in a record received by the  
2326 company, describing with reasonable particularity the  
2327 information sought and the purpose for seeking the information,  
2328 and if the information sought is directly connected to the  
2329 member's purpose.

2330 (c) Within 10 days after receiving a demand pursuant to  
2331 subparagraph (2)(b)2., the company shall, in a record, inform  
2332 the member who made the demand of:

2333 1. The information that the company will provide in  
2334 response to the demand and when and where the company will  
2335 provide the information; and

2336 2. The company's reasons for declining, if the company  
2337 declines to provide any demanded information.

2338 (d) If this chapter or an operating agreement provides for  
2339 a member to give or withhold consent to a matter, before the  
2340 consent is given or withheld, the company shall, without demand,  
2341 provide the member with all information that is known to the  
2342 company and is material to the member's decision.

2343 (4) Subject to subsection (9), on 10 days' demand made in  
2344 a record received by a limited liability company, a person

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2345 dissociated as a member may have access to information to which  
2346 the person was entitled while a member if:

2347 (a) The information pertains to the period during which  
2348 the person was a member;

2349 (b) The person seeks the information in good faith; and

2350 (c) The person satisfies the requirements imposed on a  
2351 member by paragraph (3)(b).

2352 (5) A limited liability company shall respond to a demand  
2353 made pursuant to subsection (4) in the manner provided in  
2354 paragraph (3)(c).

2355 (6) A limited liability company may charge a person who  
2356 makes a demand under this section the reasonable costs of  
2357 copying, which costs are limited to the costs of labor and  
2358 materials.

2359 (7) A member or person dissociated as a member may  
2360 exercise rights under this section through an agent or, in the  
2361 case of an individual under legal disability or an entity that  
2362 is dissolved or its existence terminated, through a legal  
2363 representative. A restriction or condition imposed by the  
2364 operating agreement or under subsection (10) applies both to the  
2365 agent or legal representative and the member or person  
2366 dissociated as a member.

2367 (8) Subject to subsection (9), the rights under this  
2368 section do not extend to a person as transferee.

2369 (9) If a member dies, s. 605.0504 applies.

2370 (10) In addition to a restriction or condition stated in  
2371 the operating agreement, a limited liability company, as a  
2372 matter within the ordinary course of its activities and affairs,

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2373 may impose reasonable restrictions and conditions on access to  
2374 and use of information to be furnished under this section,  
2375 including designating information confidential and imposing  
2376 nondisclosure and safeguarding obligations on the recipient. In  
2377 a dispute concerning the reasonableness of a restriction under  
2378 this subsection, the company has the burden of proving  
2379 reasonableness. This subsection does not apply to the request by  
2380 a member for the records described in subsection (1).

2381 605.0411 Court-ordered inspection.-

2382 (1) If a limited liability company does not allow a  
2383 member, manager, or other person who complies with s.  
2384 605.0410(2)(a), (3)(a), (3)(b), or (4), as applicable, to  
2385 inspect and copy any records required by that section to be  
2386 available for inspection, the circuit court in the county where  
2387 the limited liability company's principal office is or was last  
2388 located, as shown by the records of the department or, if there  
2389 is no principal office in this state, where its registered  
2390 office is or was last located, may summarily order inspection  
2391 and copying of the records demanded, at the limited liability  
2392 company's expense, upon application of the member, manager, or  
2393 other person.

2394 (2) If the court orders inspection or copying of the  
2395 records demanded, it shall also order the limited liability  
2396 company to pay the costs, including reasonable attorney fees,  
2397 reasonably incurred by the member, manager, or other person  
2398 seeking the records to obtain the order and enforce its rights  
2399 under this section unless the limited liability company proves  
2400 that it refused inspection in good faith because the company had

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2401 a reasonable basis for doubt about the right of the member,  
2402 manager, or such other person to inspect or copy the records  
2403 demanded.

2404 (3) If the court orders inspection or copying of the  
2405 records demanded, it may impose reasonable restrictions on the  
2406 use or distribution of the records by the member, manager, or  
2407 other person demanding such records.

2408 605.0501 Nature of transferable interest.—A transferable  
2409 interest is personal property.

2410 605.0502 Transfer of transferable interest.—

2411 (1) Subject to s. 605.0503, a transfer, in whole or in  
2412 part, of a transferable interest:

2413 (a) Is permissible;

2414 (b) Does not by itself cause a member's dissociation or a  
2415 dissolution and winding up of the limited liability company's  
2416 activities and affairs; and

2417 (c) Does not entitle the transferee to:

2418 1. Participate in the management or conduct of the  
2419 company's activities and affairs; or

2420 2. Except as otherwise provided in subsection (3), have  
2421 access to records or other information concerning the company's  
2422 activities and affairs.

2423 (2) A transferee has the right to receive, in accordance  
2424 with the transfer, distributions to which the transferor would  
2425 otherwise be entitled.

2426 (3) In a dissolution and winding up of a limited liability  
2427 company, a transferee is entitled to an account of the company's  
2428 transactions only from the date of dissolution.

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2429 (4) A transferable interest may be evidenced by a  
2430 certificate of the interest issued by the limited liability  
2431 company in a record, and, subject to this section, the interest  
2432 represented by the certificate may be transferred by a transfer  
2433 of the certificate.

2434 (5) A limited liability company need not give effect to a  
2435 transferee's rights under this section until the company knows  
2436 or has notice of the transfer.

2437 (6) A transfer of a transferable interest in violation of  
2438 a restriction on transfer contained in the operating agreement  
2439 is ineffective as to a person who has knowledge or notice of the  
2440 restriction at the time of transfer.

2441 (7) Except as otherwise provided in s. 605.0602(5)(b), if  
2442 a member transfers a transferable interest, the transferor  
2443 retains the rights of a member other than the transferable  
2444 interest transferred and retains all the duties and obligations  
2445 of a member.

2446 (8) If a member transfers a transferable interest to a  
2447 person who becomes a member with respect to the transferred  
2448 interest, the transferee is liable for the member's obligations  
2449 under ss. 605.0403 and 605.0406(3) which are known to the  
2450 transferee at the time the transferee becomes a member.

2451 605.0503 Charging order.-

2452 (1) On application to a court of competent jurisdiction by  
2453 a judgment creditor of a member or a transferee, the court may  
2454 enter a charging order against the transferable interest of the  
2455 member or transferee for payment of the unsatisfied amount of  
2456 the judgment with interest. Except as provided in subsection



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2457 (5), a charging order constitutes a lien upon a judgment  
2458 debtor's transferable interest and requires the limited  
2459 liability company to pay over to the judgment creditor a  
2460 distribution that would otherwise be paid to the judgment  
2461 debtor.

2462 (2) This chapter does not deprive a member or transferee  
2463 of the benefit of any exemption law applicable to the  
2464 transferable interest of the member or transferee.

2465 (3) Except as provided in subsections (4) and (5), a  
2466 charging order is the sole and exclusive remedy by which a  
2467 judgment creditor of a member or member's transferee may satisfy  
2468 a judgment from the judgment debtor's interest in a limited  
2469 liability company or rights to distributions from the limited  
2470 liability company.

2471 (4) In the case of a limited liability company that has  
2472 only one member, if a judgment creditor of a member or member's  
2473 transferee establishes to the satisfaction of a court of  
2474 competent jurisdiction that distributions under a charging order  
2475 will not satisfy the judgment within a reasonable time, a  
2476 charging order is not the sole and exclusive remedy by which the  
2477 judgment creditor may satisfy the judgment against a judgment  
2478 debtor who is the sole member of a limited liability company or  
2479 the transferee of the sole member, and upon such showing, the  
2480 court may order the sale of that interest in the limited  
2481 liability company pursuant to a foreclosure sale. A judgment  
2482 creditor may make a showing to the court that distributions  
2483 under a charging order will not satisfy the judgment within a  
2484 reasonable time at any time after the entry of the judgment and

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2485 may do so at the same time that the judgment creditor applies  
2486 for the entry of a charging order.

2487 (5) If a limited liability company has only one member and  
2488 the court orders a foreclosure sale of a judgment debtor's  
2489 interest in the limited liability company or of a charging order  
2490 lien against the sole member of the limited liability company  
2491 pursuant to subsection (4):

2492 (a) The purchaser at the court-ordered foreclosure sale  
2493 obtains the member's entire limited liability company interest,  
2494 not merely the rights of a transferee;

2495 (b) The purchaser at the sale becomes the member of the  
2496 limited liability company; and

2497 (c) The person whose limited liability company interest is  
2498 sold pursuant to the foreclosure sale or is the subject of the  
2499 foreclosed charging order ceases to be a member of the limited  
2500 liability company.

2501 (6) In the case of a limited liability company that has  
2502 more than one member, the remedy of foreclosure on a judgment  
2503 debtor's interest in the limited liability company or against  
2504 rights to distribution from the limited liability company is not  
2505 available to a judgment creditor attempting to satisfy the  
2506 judgment and may not be ordered by a court.

2507 (7) This section does not limit any of the following:

2508 (a) The rights of a creditor who has been granted a  
2509 consensual security interest in a limited liability company  
2510 interest to pursue the remedies available to the secured  
2511 creditor under other law applicable to secured creditors.

2512 (b) The principles of law and equity which affect

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2513 fraudulent transfers.

2514 (c) The availability of the equitable principles of alter  
2515 ego, equitable lien, or constructive trust or other equitable  
2516 principles not inconsistent with this section.

2517 (d) The continuing jurisdiction of the court to enforce  
2518 its charging order in a manner consistent with this section.

2519 605.0504 Power of legal representative.—If a member who is  
2520 an individual dies or a court of competent jurisdiction adjudges  
2521 the member to be incompetent to manage the member's person or  
2522 property, the member's legal representative may exercise all of  
2523 the member's rights for the purpose of settling the member's  
2524 estate or administering the member's property, including any  
2525 power the member had to give a transferee the right to become a  
2526 member. If a member is a corporation, trust, or other entity and  
2527 is dissolved or terminated, the powers of that member may be  
2528 exercised by its legal representative.

2529 605.0601 Power to dissociate as member; wrongful  
2530 dissociation.—

2531 (1) A person has the power to dissociate as a member at  
2532 any time, rightfully or wrongfully, by withdrawing as a member  
2533 by express will under s. 605.0602(1).

2534 (2) A person's dissociation as a member is wrongful only  
2535 if the dissociation:

2536 (a) Is in breach of an express provision of the operating  
2537 agreement; or

2538 (b) Occurs before completion of the winding up of the  
2539 company, and:

2540 1. The person withdraws as a member by express will;

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2541 2. The person is expelled as a member by judicial order  
2542 under s. 605.0602(6);

2543 3. The person is dissociated under s. 605.0602(8); or

2544 4. In the case of a person that is not a trust other than  
2545 a business trust, an estate, or an individual, the person is  
2546 expelled or otherwise dissociated as a member because it  
2547 willfully dissolved or terminated.

2548 (3) A person who wrongfully dissociates as a member is  
2549 liable to the limited liability company and, subject to s.  
2550 605.0801, to the other members for damages caused by the  
2551 dissociation. The liability is in addition to each debt,  
2552 obligation, or other liability of the member to the company or  
2553 the other members.

2554 (4) Notwithstanding anything to the contrary under  
2555 applicable law, the articles of organization or operating  
2556 agreement may provide that a limited liability company interest  
2557 may not be assigned before the dissolution and winding up of the  
2558 limited liability company.

2559 605.0602 Events causing dissociation.—A person is  
2560 dissociated as a member if any of the following occur:

2561 (1) The company has notice of the person's express will to  
2562 withdraw as a member, but if the person specified a withdrawal  
2563 date later than the date the company had notice, on that later  
2564 date.

2565 (2) An event stated in the operating agreement as causing  
2566 the person's dissociation occurs.

2567 (3) The person's entire interest is transferred in a  
2568 foreclosure sale under s. 605.0503(5).

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2569       (4) The person is expelled as a member pursuant to the  
2570 operating agreement.

2571       (5) The person is expelled as a member by the unanimous  
2572 consent of the other members if any of the following occur:

2573       (a) It is unlawful to carry on the company's activities  
2574 and affairs with the person as a member.

2575       (b) There has been a transfer of the person's entire  
2576 transferable interest in the company other than:

2577       1. A transfer for security purposes; or

2578       2. A charging order in effect under s. 605.0503 which has  
2579 not been foreclosed.

2580       (c) The person is a corporation and:

2581       1. The company notifies the person that it will be  
2582 expelled as a member because the person has filed articles or a  
2583 certificate of dissolution or the equivalent, the person has  
2584 been administratively dissolved, its charter or equivalent has  
2585 been revoked, or the person's right to conduct business has been  
2586 suspended by the person's jurisdiction of its formation; and

2587       2. Within 90 days after the notification, the articles or  
2588 certificate of dissolution or the equivalent has not been  
2589 revoked or its charter or right to conduct business has not been  
2590 reinstated.

2591       (d) The person is an unincorporated entity that has been  
2592 dissolved and whose business is being wound up.

2593       (6) On application by the company or a member in a direct  
2594 action under s. 605.0801, the person is expelled as a member by  
2595 judicial order because the person:

2596       (a) Has engaged or is engaging in wrongful conduct that

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2597 has affected adversely and materially, or will affect adversely  
2598 and materially, the company's activities and affairs;

2599 (b) Has committed willfully or persistently, or is  
2600 committing willfully and persistently, a material breach of the  
2601 operating agreement or a duty or obligation under s. 605.04091;  
2602 or

2603 (c) Has engaged or is engaging in conduct relating to the  
2604 company's activities and affairs which makes it not reasonably  
2605 practicable to carry on the activities and affairs with the  
2606 person as a member.

2607 (7) In the case of an individual:

2608 (a) The individual dies; or

2609 (b) In a member-managed limited liability company:

2610 1. A guardian or general conservator for the individual is  
2611 appointed; or

2612 2. There is a judicial order that the individual has  
2613 otherwise become incapable of performing the individual's duties  
2614 as a member under this chapter or the operating agreement.

2615 (8) In a member-managed limited liability company, the  
2616 person:

2617 (a) Becomes a debtor in bankruptcy;

2618 (b) Executes an assignment for the benefit of creditors;

2619 or

2620 (c) Seeks, consents to, or acquiesces in the appointment  
2621 of a trustee, receiver, or liquidator of the person or of all or  
2622 substantially all the person's property.

2623 (9) In the case of a person that is a testamentary or  
2624 inter vivos trust or is acting as a member by virtue of being a

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2625 trustee of such a trust, the trust's entire transferable  
2626 interest in the company is distributed.

2627 (10) In the case of a person that is an estate or is  
2628 acting as a member by virtue of being a legal representative of  
2629 an estate, the estate's entire transferable interest in the  
2630 company is distributed.

2631 (11) In the case of a person that is not an individual,  
2632 the existence of the person terminates.

2633 (12) The company participates in a merger under ss.  
2634 605.1021-605.1026 and:

2635 (a) The company is not the surviving entity; or

2636 (b) Otherwise as a result of the merger, the person ceases  
2637 to be a member.

2638 (13) The company participates in an interest exchange  
2639 under ss. 605.1031-605.1036, and the person ceases to be a  
2640 member.

2641 (14) The company participates in a conversion under ss.  
2642 605.1041-605.1046, and the person ceases to be member.

2643 (15) The company dissolves and completes winding up.  
2644 605.0603 Effect of dissociation.-

2645 (1) If a person is dissociated as a member:

2646 (a) The person's right to participate as a member in the  
2647 management and conduct of the company's activities and affairs  
2648 terminates;

2649 (b) If the company is member-managed, the person's duties  
2650 and obligations under s. 605.04091 as a member end with regard  
2651 to matters arising and events occurring after the person's  
2652 dissociation; and

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2653 (c) Subject to s. 605.0504 and ss. 605.1001-605.1072, a  
2654 transferable interest owned by the person in the person's  
2655 capacity immediately before dissociation as a member is owned by  
2656 the person solely as a transferee.

2657 (2) A person's dissociation as a member does not, of  
2658 itself, discharge the person from a debt, obligation, or other  
2659 liability to the company or the other members which the person  
2660 incurred while a member.

2661 605.0701 Events causing dissolution.—A limited liability  
2662 company is dissolved and its activities and affairs must be  
2663 wound up upon the occurrence of the following:

2664 (1) An event or circumstance that the operating agreement  
2665 states causes dissolution.

2666 (2) The consent of all the members.

2667 (3) The passage of 90 consecutive days during which the  
2668 company has no members, unless:

2669 (a) Consent to admit at least one specified person as a  
2670 member is given by transferees owning the rights to receive a  
2671 majority of distributions as transferees at the time the consent  
2672 is to be effective; and

2673 (b) At least one person becomes a member in accordance  
2674 with the consent.

2675 (4) The entry of a decree of judicial dissolution in  
2676 accordance with s. 605.0705.

2677 (5) The filing of a statement of administrative  
2678 dissolution by the department pursuant to s. 605.0714.

2679 605.0702 Grounds for judicial dissolution.—

2680 (1) A circuit court may dissolve a limited liability



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2681 company:

2682 (a) In a proceeding by the Department of Legal Affairs if  
2683 it is established that:

2684 1. The limited liability company obtained its articles of  
2685 organization through fraud; or

2686 2. The limited liability company has continued to exceed  
2687 or abuse the authority conferred upon it by law.

2688  
2689 The enumeration in subparagraphs 1. and 2. of grounds for  
2690 involuntary dissolution does not exclude actions or special  
2691 proceedings by the Department of Legal Affairs or a state  
2692 official for the annulment or dissolution of a limited liability  
2693 company for other causes as provided in another law of this  
2694 state.

2695 (b) In a proceeding by a manager or member if it is  
2696 established that:

2697 1. The conduct of all or substantially all of the  
2698 company's activities and affairs is unlawful;

2699 2. It is not reasonably practicable to carry on the  
2700 company's activities and affairs in conformity with the articles  
2701 of organization and the operating agreement;

2702 3. The managers or members in control of the company have  
2703 acted, are acting, or are reasonably expected to act in a manner  
2704 that is illegal or fraudulent;

2705 4. The limited liability company's assets are being  
2706 misappropriated or wasted, causing injury to the limited  
2707 liability company, or in a proceeding by a member, causing  
2708 injury to one or more of its members; or

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2709 5. The managers or the members of the limited liability  
2710 company are deadlocked in the management of the limited  
2711 liability company's activities and affairs, the members are  
2712 unable to break the deadlock, and irreparable injury to the  
2713 limited liability company is threatened or being suffered.

2714 (c) In a proceeding by the limited liability company to  
2715 have its voluntary dissolution continued under court  
2716 supervision.

2717 (2) If the managers or the members of the limited  
2718 liability company are deadlocked in the management of the  
2719 limited liability company's activities and affairs, the members  
2720 are unable to break the deadlock, and irreparable injury to the  
2721 limited liability company is threatened or being suffered, if  
2722 the operating agreement contains a deadlock sale provision that  
2723 has been initiated before the time that the court determines  
2724 that the grounds for judicial dissolution exist under  
2725 subparagraph (1)(b)5., then such deadlock sale provision applies  
2726 to the resolution of such deadlock instead of the court entering  
2727 an order of judicial dissolution or an order directing the  
2728 purchase of petitioner's interest under s. 605.0706, so long as  
2729 the provisions of such deadlock sale provision are thereafter  
2730 initiated and effectuated in accordance with the terms of such  
2731 deadlock sale provision or otherwise pursuant to an agreement of  
2732 the members of the company. As used in this section, the term  
2733 "deadlock sale provision" means a provision in an operating  
2734 agreement which is or may be applicable in the event of a  
2735 deadlock among the managers or the members of the limited  
2736 liability company which the members of the company are unable to

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2737 break and which provides for a deadlock breaking mechanism,  
2738 including, but not limited to: a purchase and sale of interests  
2739 or a governance change, among or between members; the sale of  
2740 all or substantially all of the assets of the company; or a  
2741 similar provision that, if initiated and effectuated, breaks the  
2742 deadlock by causing the transfer of interests, a governance  
2743 change, or the sale of all or substantially all of the company's  
2744 assets. A deadlock sale provision in an operating agreement  
2745 which is not initiated and effectuated before the court enters  
2746 an order of judicial dissolution under subparagraph (1)(b)5. or  
2747 an order directing the purchase of petitioner's interest under  
2748 s. 605.0706 does not adversely affect the rights of members and  
2749 managers to seek judicial dissolution under subparagraph  
2750 (1)(b)5. or the rights of the company or one or more members to  
2751 purchase the petitioner's interest under s. 605.0706. The filing  
2752 of an action for judicial dissolution on the grounds described  
2753 in subparagraph (1)(b)5. or an election to purchase the  
2754 petitioner's interest under s. 605.0706 does not adversely  
2755 affect the right of a member to initiate an available deadlock  
2756 sale provision under the operating agreement or to enforce a  
2757 member-initiated or an automatically-initiated deadlock sale  
2758 provision if the deadlock sale provision is initiated and  
2759 effectuated before the court enters an order of judicial  
2760 dissolution under subparagraph (1)(b)5. or an order directing  
2761 the purchase of petitioner's interest under s. 605.0706.

2762 605.0703 Procedure for judicial dissolution; alternative  
2763 remedies.—

2764 (1) Venue for a proceeding brought under s. 605.0702 lies

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2765 in the circuit court of the county where the limited liability  
2766 company's principal office is or was last located, as shown by  
2767 the records of the department, or, if there is or was no  
2768 principal office in this state, in the circuit court of the  
2769 county where the company's registered office is or was last  
2770 located.

2771 (2) It is not necessary to make members parties to a  
2772 proceeding to dissolve a limited liability company unless relief  
2773 is sought against such members individually.

2774 (3) A court in a proceeding brought to dissolve a limited  
2775 liability company may issue injunctions, appoint a receiver or  
2776 custodian pendente lite with all powers and duties the court  
2777 directs, take other action required to preserve the limited  
2778 liability company's assets wherever located, and carry on the  
2779 business of the limited liability company until a full hearing  
2780 can be held.

2781 (4) In a proceeding brought under s. 605.0702, the court  
2782 may, upon a showing of sufficient merit to warrant such a  
2783 remedy:

2784 (a) Appoint a receiver or custodian under s. 605.0704;

2785 (b) Order a purchase of a petitioning member's interest  
2786 pursuant to s. 605.0706; or

2787 (c) Upon a showing of good cause, order another remedy the  
2788 court deems appropriate in its discretion, including an  
2789 equitable remedy.

2790 (5) Section 57.105 applies to a proceeding brought under  
2791 s. 605.0702.

2792 605.0704 Receivership or custodianship.—

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2793 (1) A court in a judicial proceeding brought to dissolve a  
2794 limited liability company may appoint one or more receivers to  
2795 wind up and liquidate or one or more custodians to manage the  
2796 business and affairs of the limited liability company. The court  
2797 shall hold a hearing, after notifying all parties to the  
2798 proceeding and an interested person designated by the court,  
2799 before appointing a receiver or custodian. The court appointing  
2800 a receiver or custodian has exclusive jurisdiction over the  
2801 limited liability company and all of its property, wherever  
2802 located.

2803 (2) The court may appoint a person authorized to act as a  
2804 receiver or custodian. The court may require the receiver or  
2805 custodian to post bond, with or without sureties, in an amount  
2806 the court directs.

2807 (3) The court shall describe the powers and duties of the  
2808 receiver or custodian in its appointing order, which may be  
2809 amended. Among other powers:

2810 (a) The receiver :

2811 1. May dispose of all or a part of the assets of the  
2812 limited liability company wherever located, at a public or  
2813 private sale, if authorized by the court; and

2814 2. May sue and defend in the receiver's own name, as  
2815 receiver of the limited liability company, in all courts of this  
2816 state; and

2817 (b) The custodian may exercise all of the powers of the  
2818 limited liability company, through or in place of its managers  
2819 or members, to the extent necessary to manage the activities and  
2820 affairs of the limited liability company in the best interest of

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2821 its members and creditors.

2822 (4) During a receivership, the court may redesignate the  
2823 receiver as a custodian and, during a custodianship, may  
2824 redesignate the custodian as a receiver if doing so is in the  
2825 best interests of the limited liability company and its members  
2826 and creditors.

2827 (5) During the receivership or custodianship the court may  
2828 order compensation paid and expense disbursements or  
2829 reimbursements made to the receiver or custodian and the  
2830 receiver's or custodian's counsel from the assets of the limited  
2831 liability company or proceeds from the sale of part or all of  
2832 those assets.

2833 (6) The court has jurisdiction to appoint an ancillary  
2834 receiver for the assets and business of a limited liability  
2835 company. The ancillary receiver shall serve ancillary to a  
2836 receiver located in another state if the court deems that  
2837 circumstances exist requiring the appointment of such a  
2838 receiver. The court may appoint a receiver for a foreign limited  
2839 liability company even though a receiver has not been appointed  
2840 elsewhere. The receivership shall be converted into an ancillary  
2841 receivership if an order entered by a court of competent  
2842 jurisdiction in the other state provides for a receivership of  
2843 the foreign limited liability company.

2844 605.0705 Decree of dissolution.-

2845 (1) If, after a hearing, the court determines that one or  
2846 more grounds for judicial dissolution described in s. 605.0702  
2847 exist, the court may enter a decree dissolving the limited  
2848 liability company and specifying the effective date of the

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2849 dissolution, and the clerk of the court shall deliver a  
2850 certified copy of the decree to the department, which shall file  
2851 the decree.

2852 (2) After entering the decree of dissolution, the court  
2853 shall direct the winding up and liquidation of the limited  
2854 liability company's activities and affairs in accordance with  
2855 ss. 605.0709-605.0713, subject to subsection (3).

2856 (3) In a proceeding for judicial dissolution, the court  
2857 may require all creditors of the limited liability company to  
2858 file with the clerk of the court or with the receiver, in a form  
2859 as the court may prescribe, proofs under oath of their  
2860 respective claims. If the court requires the filing of claims,  
2861 the court shall fix a date, which may not be earlier than 4  
2862 months after the date of the order, as the last day for filing  
2863 claims. The court shall prescribe the deadline for filing claims  
2864 which shall be given to creditors and claimants. Before the date  
2865 so fixed, the court may extend the time for the filing of claims  
2866 by court order. Creditors and claimants failing to file proofs  
2867 of claim on or before the date so fixed may be barred, by order  
2868 of court, from participating in the distribution of the assets  
2869 of the limited liability company. This section does not affect  
2870 the enforceability of a recorded mortgage or lien or the  
2871 perfected security interest or rights of a person in possession  
2872 of real or personal property.

2873 605.0706 Election to purchase instead of dissolution.-

2874 (1) In a proceeding initiated by a member of a limited  
2875 liability company under s. 605.0702(1)(b) to dissolve the  
2876 company, the company may elect, or, if it fails to elect, one or

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2877 more other members may elect, to purchase the entire interest of  
2878 the petitioner in the company at the fair value of the interest.  
2879 An election pursuant to this section is irrevocable unless the  
2880 court determines that it is equitable to set aside or modify the  
2881 election.

2882 (2) An election to purchase pursuant to this section may  
2883 be filed with the court within 90 days after the filing of the  
2884 petition by the petitioning member under s. 605.0702(1)(b) or  
2885 (2) or at such later time as the court may allow. If the  
2886 election to purchase is filed, the company shall within 10 days  
2887 thereafter, give written notice to all members, other than the  
2888 petitioning member. The notice must describe the interest in the  
2889 company owned by each petitioning member and must advise the  
2890 recipients of their right to join in the election to purchase  
2891 the petitioning member's interest in accordance with this  
2892 section. Members who wish to participate must file notice of  
2893 their intention to join in the purchase within 30 days after the  
2894 effective date of the notice. A member who has filed an election  
2895 or notice of the intent to participate in the election to  
2896 purchase thereby becomes a party to the proceeding and shall  
2897 participate in the purchase in proportion to the ownership  
2898 interest as of the date the first election was filed unless the  
2899 members otherwise agree or the court otherwise directs. After an  
2900 election to purchase has been filed by the limited liability  
2901 company or one or more members, the proceeding under s.  
2902 605.0702(1)(b) or (2) may not be discontinued or settled, and  
2903 the petitioning member may not sell or otherwise dispose of  
2904 interest of the petitioner in the company unless the court



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2905 determines that it would be equitable to the company and the  
2906 members, other than the petitioner, to authorize such  
2907 discontinuance, settlement, sale, or other disposition or the  
2908 sale is pursuant to a deadlock sale provision described in s.  
2909 605.0702(1)(b).

2910 (3) If, within 60 days after the filing of the first  
2911 election, the parties reach an agreement as to the fair value  
2912 and terms of the purchase of the petitioner's interest, the  
2913 court shall enter an order directing the purchase of the  
2914 petitioner's interest upon the terms and conditions agreed to by  
2915 the parties, unless the petitioner's interest has been acquired  
2916 pursuant to a deadlock sale provision before the order.

2917 (4) If the parties are unable to reach an agreement as  
2918 provided for in subsection (3), the court, upon application of a  
2919 party, shall stay the proceedings and determine the fair value  
2920 of the petitioner's interest as of the day before the date on  
2921 which the petition was filed or as of such other date as the  
2922 court deems appropriate under the circumstances.

2923 (5) Upon determining the fair value of the petitioner's  
2924 interest in the company, unless the petitioner's interest has  
2925 been acquired pursuant to a deadlock sale provision before the  
2926 order, the court shall enter an order directing the purchase  
2927 upon such terms and conditions as the court deems appropriate,  
2928 which may include: payment of the purchase price in  
2929 installments, when necessary in the interests of equity; a  
2930 provision for security to ensure payment of the purchase price  
2931 and additional costs, fees, and expenses as may have been  
2932 awarded; and, if the interest is to be purchased by members, the

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2933 allocation of the interest among those members. In allocating  
2934 petitioner's interest among holders of different classes or  
2935 series of interests in the company, the court shall attempt to  
2936 preserve the existing distribution of voting rights among  
2937 holders of different classes insofar as practicable and may  
2938 direct that holders of a specific class or classes or series not  
2939 participate in the purchase. Interest may be allowed at the rate  
2940 and from the date determined by the court to be equitable;  
2941 however, if the court finds that the refusal of the petitioning  
2942 member to accept an offer of payment was arbitrary or otherwise  
2943 not in good faith, payment of interest is not allowed. If the  
2944 court finds that the petitioning member had probable grounds for  
2945 relief under s. 605.0702(1)(b)3. or 4., it may award to the  
2946 petitioning member reasonable fees and expenses of counsel and  
2947 of experts employed by petitioner.

2948 (6) Upon entry of an order under subsection (3) or  
2949 subsection (5), the court shall dismiss the petition to dissolve  
2950 the limited liability company, and the petitioning member shall  
2951 no longer have rights or status as a member of the limited  
2952 liability company except the right to receive the amounts  
2953 awarded by the order of the court, which shall be enforceable in  
2954 the same manner as any other judgment.

2955 (7) The purchase ordered pursuant to subsection (5) must  
2956 be made within 10 days after the date the order becomes final  
2957 unless, before that time, the limited liability company files  
2958 with the court a notice of its intention to dissolve pursuant to  
2959 s. 605.0701(2), in which case articles of dissolution for the  
2960 company must be filed within 50 days thereafter. Upon filing of

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2961 such articles of dissolution, the limited liability company  
2962 shall be wound up in accordance with ss. 605.0709-605.0713, and  
2963 the order entered pursuant to subsection (5) shall no longer be  
2964 of force or effect except that the court may award the  
2965 petitioning member reasonable fees and expenses of counsel and  
2966 experts in accordance with subsection (5), and the petitioner  
2967 may continue to pursue any claims previously asserted on behalf  
2968 of the limited liability company.

2969 (8) A payment by the limited liability company pursuant to  
2970 an order under subsection (3) or subsection (5), other than an  
2971 award of fees and expenses pursuant to subsection (5), is  
2972 subject to s. 605.0405.

2973 605.0707 Articles of dissolution; filing of articles of  
2974 dissolution.-

2975 (1) Upon the occurrence of an event described in s.  
2976 605.0701(1)-(3), the limited liability company shall deliver for  
2977 filing articles of dissolution as provided in this section.

2978 (2) The articles of dissolution must state the following:

2979 (a) The name of the limited liability company.

2980 (b) The delayed effective date of the limited liability  
2981 company's dissolution if the dissolution is not to be effective  
2982 on the date the articles of dissolution are filed by the  
2983 department.

2984 (c) The occurrence that resulted in the limited liability  
2985 company's dissolution.

2986 (d) If there are no members, the name, address, and  
2987 signature of the person appointed in accordance with this  
2988 subsection to wind up the company.

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2989 (3) The articles of dissolution of the limited liability  
2990 company shall be delivered to the department. If the department  
2991 finds that the articles of dissolution conform to law, it shall,  
2992 when all fees have been paid as prescribed in this chapter, file  
2993 the articles of dissolution and issue a certificate of  
2994 dissolution.

2995 (4) Upon the filing of the articles of dissolution, the  
2996 limited liability company shall cease conducting its business  
2997 and shall continue solely for the purpose of winding up its  
2998 affairs in accordance with s. 605.0709, except for the purpose  
2999 of lawsuits, other proceedings, and appropriate action as  
3000 provided in this chapter.

3001 605.0708 Revocation of articles of dissolution.-

3002 (1) A limited liability company that has dissolved as the  
3003 result of an event described in s. 605.0701(1)-(3) and filed  
3004 articles of dissolution with the department, but has not filed a  
3005 statement of termination which has become effective, may revoke  
3006 its dissolution at any time before 120 days after the effective  
3007 date of its articles of dissolution.

3008 (2) The revocation of the dissolution shall be authorized  
3009 in the same manner as the dissolution was authorized.

3010 (3) After the revocation of dissolution is authorized, the  
3011 limited liability company shall deliver a statement of  
3012 revocation of dissolution to the department for filing, together  
3013 with a copy of its articles of dissolution, which must include  
3014 the following:

3015 (a) The name of the limited liability company.

3016 (b) The effective date of the dissolution which was

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3017 revoked.

3018 (c) The date that the statement of revocation of  
3019 dissolution was authorized.

3020 (4) If there has been substantial compliance with  
3021 subsection (3), the revocation of dissolution is effective when  
3022 the department files the statement of revocation of dissolution.

3023 (5) When the revocation of dissolution becomes effective:

3024 (a) The company resumes carrying on its activities and  
3025 affairs as if dissolution had never occurred;

3026 (b) Subject to paragraph (c), a liability incurred by the  
3027 company after the dissolution and before the revocation is  
3028 effective is determined as if dissolution had never occurred;  
3029 and

3030 (c) The rights of a third party arising out of conduct in  
3031 reliance on the dissolution before the third party knew or had  
3032 notice of the revocation may not be adversely affected.

3033 605.0709 Winding up.-

3034 (1) A dissolved limited liability company shall wind up  
3035 its activities and affairs and, except as otherwise provided in  
3036 ss. 605.0708 and 605.0715, the company continues after  
3037 dissolution only for the purpose of winding up.

3038 (2) In winding up its activities and affairs, a limited  
3039 liability company:

3040 (a) Shall discharge or make provision for the company's  
3041 debts, obligations, and other liabilities as provided in ss.  
3042 605.0710-605.0713, settle and close the company's activities and  
3043 affairs, and marshal and distribute the assets of the company;  
3044 and

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3045 (b) May:

3046 1. Preserve the company's activities, affairs, and  
3047 property as a going concern for a reasonable time;

3048 2. Prosecute and defend actions and proceedings, whether  
3049 civil, criminal, or administrative;

3050 3. Transfer title to the company's real estate and other  
3051 property;

3052 4. Settle disputes by mediation or arbitration;

3053 5. Dispose of its properties that will not be distributed  
3054 in kind to its members; and

3055 6. Perform other acts necessary or appropriate to the  
3056 winding up.

3057 (3) If a dissolved limited liability company has no  
3058 members, the legal representative of the last person to have  
3059 been a member may wind up the activities and affairs of the  
3060 company. If the legal representative does so, the person has the  
3061 powers of a sole manager under s. 605.0407(3) and is deemed to  
3062 be a manager for the purposes of s. 605.0304(1).

3063 (4) If the legal representative under subsection (3)  
3064 declines or fails to wind up the company's activities and  
3065 affairs, a person may be appointed to do so by the consent of  
3066 the transferees owning a majority of the rights to receive  
3067 distributions as transferees at the time the consent is to be  
3068 effective. A person appointed under this subsection has the  
3069 powers of a sole manager under s. 605.0407(3) and is deemed to  
3070 be a manager for the purposes of s. 605.0304(1).

3071 (5) A circuit court may order judicial supervision of the  
3072 winding up of a dissolved limited liability company, including

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3073 the appointment of one or more persons to wind up the company's  
3074 activities and affairs:

3075 (a) On application of a member or manager if the applicant  
3076 establishes good cause;

3077 (b) On the application of a transferee if:

3078 1. The company does not have any members;

3079 2. The legal representative of the last person to have  
3080 been a member declines or fails to wind up the company's  
3081 activities and affairs; or

3082 3. Within a reasonable time following the dissolution a  
3083 person has not been appointed pursuant to subsection (3);

3084 (c) On application of a creditor of the company if the  
3085 applicant establishes good cause, but only if a receiver,  
3086 custodian, or another person has not already been appointed for  
3087 that purpose under this chapter; or

3088 (d) In connection with a proceeding under s. 605.0702 if a  
3089 receiver, custodian, or another person has not already been  
3090 appointed for that purpose under s. 605.0704.

3091 (6) The person or persons appointed by a court under  
3092 subsection (5) may also be designated trustees for or receivers  
3093 of the company with the authority to take charge of the limited  
3094 liability company's property; to collect the debts and property  
3095 due and belonging to the limited liability company; to prosecute  
3096 and defend, in the name of the limited liability company, or  
3097 otherwise, all such suits as may be necessary or proper for the  
3098 purposes described above; to appoint an agent or agents under  
3099 them; and to do all other acts that might be done by the limited  
3100 liability company, if in being, which may be necessary for the

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3101 final settlement of the unfinished activities and affairs of the  
3102 limited liability company. The powers of the trustees or  
3103 receivers may be continued as long as the court determines is  
3104 necessary for the above purposes.

3105 (7) A dissolved limited liability company that has  
3106 completed winding up may deliver to the department for filing a  
3107 statement of termination that provides the following:

3108 (a) The name of the limited liability company.

3109 (b) The date of filing of its initial articles of  
3110 organization.

3111 (c) The date of the filing of its articles of dissolution.

3112 (d) The limited liability company has completed winding up  
3113 its activities and affairs and has determined that it will file  
3114 a statement of termination.

3115 (e) Other information as determined by the authorized  
3116 representative.

3117 (8) The manager or managers in office at the time of  
3118 dissolution or the survivors of such manager or managers, or, if  
3119 none, the members, shall thereafter be trustees for the members  
3120 and creditors of the dissolved limited liability company. The  
3121 trustees may distribute property of the limited liability  
3122 company discovered after dissolution, convey real estate and  
3123 other property, and take such other action as may be necessary  
3124 on behalf of and in the name of the dissolved limited liability  
3125 company.

3126 605.0710 Disposition of assets in winding up.-

3127 (1) In winding up its activities and affairs, a limited  
3128 liability company must apply its assets to discharge its



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3129 obligations to creditors, including members who are creditors.

3130 (2) After a limited liability company complies with  
3131 subsection (1), the surplus must be distributed in the following  
3132 order, subject to a charging order in effect under s. 605.0503:

3133 (a) To each person owning a transferable interest that  
3134 reflects contributions made and not previously returned, an  
3135 amount equal to the value of the unreturned contributions; then

3136 (b) To members and persons dissociated as members, in the  
3137 proportions in which they shared in distributions before  
3138 dissolution, except to the extent necessary to comply with a  
3139 transfer effective under s. 605.0502.

3140 (3) If the limited liability company does not have  
3141 sufficient surplus to comply with paragraph (2) (a), any surplus  
3142 must be distributed among the owners of transferable interests  
3143 in proportion to the value of their respective unreturned  
3144 contributions.

3145 (4) All distributions made under subsections (2) and (3)  
3146 must be paid in money.

3147 605.0711 Known claims against dissolved limited liability  
3148 company.-

3149 (1) A dissolved limited liability company or successor  
3150 entity, as defined in subsection (14), may dispose of the known  
3151 claims against it by following the procedures described in  
3152 subsections (2)-(7).

3153 (2) A dissolved limited liability company or successor  
3154 entity shall deliver to each of its known claimants written  
3155 notice of the dissolution after its effective date. The written  
3156 notice must do the following:

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3157 (a) Provide a reasonable description of the claim that the  
3158 claimant may be entitled to assert.

3159 (b) State whether the claim is admitted or not admitted,  
3160 in whole or in part, and, if admitted:

3161 1. The amount that is admitted, which may be as of a given  
3162 date; and

3163 2. An interest obligation if fixed by an instrument of  
3164 indebtedness.

3165 (c) Provide a mailing address to which a claim may be  
3166 sent.

3167 (d) State the deadline, which may not be less than 120  
3168 days after the effective date of the written notice, by which  
3169 confirmation of the claim must be delivered to the dissolved  
3170 limited liability company or successor entity.

3171 (e) State that the dissolved limited liability company or  
3172 successor entity may make distributions to other claimants and  
3173 to the members or transferees of the limited liability company  
3174 or persons interested without further notice.

3175 (3) A dissolved limited liability company or successor  
3176 entity may reject, in whole or in part, a claim made by a  
3177 claimant pursuant to this subsection by mailing notice of the  
3178 rejection to the claimant within 90 days after receipt of the  
3179 claim and, in all events, at least 150 days before the  
3180 expiration of the 3-year period after the effective date of  
3181 dissolution. A notice sent by the dissolved limited liability  
3182 company or successor entity pursuant to this subsection must be  
3183 accompanied by a copy of this section.

3184 (4) A dissolved limited liability company or successor

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3185 entity electing to follow the procedures described in  
3186 subsections (2) and (3) shall also give notice of the  
3187 dissolution of the limited liability company to persons who have  
3188 known claims that are contingent upon the occurrence or  
3189 nonoccurrence of future events or otherwise conditional or  
3190 unmatured and request that the persons present the claims in  
3191 accordance with the terms of the notice. The notice must be in  
3192 substantially the same form and sent in the same manner as  
3193 described in subsection (2).

3194 (5) A dissolved limited liability company or successor  
3195 entity shall offer a claimant whose known claim is contingent,  
3196 conditional, or unmatured such security as the limited liability  
3197 company or entity determines is sufficient to provide  
3198 compensation to the claimant if the claim matures. The dissolved  
3199 limited liability company or successor entity shall deliver such  
3200 offer to the claimant within 90 days after receipt of the claim  
3201 and, in all events, at least 150 days before expiration of 3  
3202 years after the effective date of dissolution. If the claimant  
3203 that is offered the security does not deliver in writing to the  
3204 dissolved limited liability company or successor entity a notice  
3205 rejecting the offer within 120 days after receipt of the offer  
3206 for security, the claimant is deemed to have accepted such  
3207 security as the sole source from which to satisfy his, her, or  
3208 its claim against the limited liability company.

3209 (6) A dissolved limited liability company or successor  
3210 entity that gives notice in accordance with subsections (2) and  
3211 (4) shall petition the circuit court in the applicable county to  
3212 determine the amount and form of security that are sufficient to

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3213 provide compensation to a claimant that has rejected the offer  
3214 for security made pursuant to subsection (5).

3215 (7) A dissolved limited liability company or successor  
3216 entity that has given notice in accordance with subsection (2)  
3217 shall petition the circuit court in the applicable county to  
3218 determine the amount and form of security that will be  
3219 sufficient to provide compensation to claimants whose claims are  
3220 known to the limited liability company or successor entity but  
3221 whose identities are unknown. The court shall appoint a guardian  
3222 ad litem to represent all claimants whose identities are unknown  
3223 in a proceeding brought under this subsection. The reasonable  
3224 fees and expenses of the guardian, including all reasonable  
3225 expert witness fees, shall be paid by the petitioner in the  
3226 proceeding.

3227 (8) The giving of notice or making of an offer pursuant to  
3228 this section does not revive a claim then barred, extend an  
3229 otherwise applicable statute of limitations, or constitute  
3230 acknowledgment by the dissolved limited liability company or  
3231 successor entity that a person to whom such notice is sent is a  
3232 proper claimant, and does not operate as a waiver of a defense  
3233 or counterclaim in respect of a claim asserted by a person to  
3234 whom such notice is sent.

3235 (9) A dissolved limited liability company or successor  
3236 entity that followed the procedures described in subsections  
3237 (2)-(7) must:

3238 (a) Pay the claims admitted or made and not rejected in  
3239 accordance with subsection (3);

3240 (b) Post the security offered and not rejected pursuant to

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subsection (5);

(c) Post a security ordered by the circuit court in a proceeding under subsections (6) and (7); and

(d) Pay or make provision for all other known obligations of the limited liability company or the successor entity.

If there are sufficient funds, such claims or obligations must be paid in full, and a provision for payments must be made in full. If there are insufficient funds, the claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of funds that are legally available therefor. Remaining funds shall be distributed to the members and transferees of the dissolved limited liability company. However, the distribution may not be made before the expiration of 150 days after the date of the last notice of a rejection given pursuant to subsection (3). In the absence of actual fraud, the judgment of the managers of a dissolved manager-managed limited liability company or the members of a dissolved member-managed limited liability company, or other person or persons winding up the limited liability company or the governing persons of the successor entity, as to the provisions made for the payment of all obligations under paragraph (d), is conclusive.

(10) A dissolved limited liability company or successor entity that has not followed the procedures described in subsections (2) and (3) shall pay or make reasonable provision to pay all known claims and obligations, including all contingent, conditional, or unmatured claims known to the

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3269 dissolved limited liability company or the successor entity and  
3270 all claims that are known to the dissolved limited liability  
3271 company or the successor entity but for which the identity of  
3272 the claimant is unknown. If there are sufficient funds, the  
3273 claims must be paid in full, and a provision made for payment  
3274 must be made in full. If there are insufficient funds, the  
3275 claims and obligations shall be paid or provided for according  
3276 to their priority and, among claims of equal priority, ratably  
3277 to the extent of funds that are legally available. Remaining  
3278 funds shall be distributed to the members and transferees of the  
3279 dissolved limited liability company.

3280 (11) A member or transferee of a dissolved limited  
3281 liability company to which the assets were distributed pursuant  
3282 to subsection (9) or subsection (10) is not liable for a claim  
3283 against the limited liability company in an amount in excess of  
3284 the member's or transferee's pro rata share of the claim or the  
3285 amount distributed to the member or transferee, whichever is  
3286 less.

3287 (12) A member or transferee of a dissolved limited  
3288 liability company to whom the assets were distributed pursuant  
3289 to subsection (9) is not liable for a claim against the limited  
3290 liability company, which claim is known to the limited liability  
3291 company or successor entity and on which a proceeding is not  
3292 begun before the expiration of 3 years after the effective date  
3293 of dissolution.

3294 (13) The aggregate liability of a person for claims  
3295 against the dissolved limited liability company arising under  
3296 this section or s. 605.0710 may not exceed the amount

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3297 distributed to the person in dissolution.

3298 (14) As used in this section and s. 605.0710, the term  
3299 "successor entity" includes a trust, receivership, or other  
3300 legal entity governed by the laws of this state to which the  
3301 remaining assets and liabilities of a dissolved limited  
3302 liability company are transferred and which exists solely for  
3303 the purposes of prosecuting and defending suits by or against  
3304 the dissolved limited liability company, thereby enabling the  
3305 dissolved limited liability company to settle and close the  
3306 activities and affairs of the dissolved limited liability  
3307 company, to dispose of and convey the property of the dissolved  
3308 limited liability company, to discharge the liabilities of the  
3309 dissolved limited liability company, and to distribute to the  
3310 dissolved limited liability company's members or transferees any  
3311 remaining assets, but not for the purpose of continuing the  
3312 activities and affairs for which the dissolved limited liability  
3313 company was organized.

3314 (15) As used in this section and ss. 605.0712 and  
3315 605.0713, the term "applicable county" means the county in this  
3316 state in which the limited liability company's principal office  
3317 is located or was located at the effective date of dissolution;  
3318 if the company has, and at the effective date of dissolution  
3319 had, no principal office in this state, then in the county in  
3320 which the company has, or at the effective date of dissolution  
3321 had, an office in this state; or if none in this state, then in  
3322 the county in which the company's registered office is or was  
3323 last located.

3324 (16) As used in this section, the term "known claim" or

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3325 "claim" includes unliquidated claims, but does not include a  
3326 contingent liability that has not matured so that there is no  
3327 immediate right to bring suit or a claim based on an event  
3328 occurring after the effective date of dissolution.

3329 605.0712 Other claims against a dissolved limited  
3330 liability company.-

3331 (1) A dissolved limited liability company or successor  
3332 entity, as defined in s. 605.0711(14), may choose to execute one  
3333 of the following procedures to resolve payment of unknown  
3334 claims:

3335 (a) The company or successor entity may file notice of its  
3336 dissolution with the department on the form prescribed by the  
3337 department and request that persons who have claims against the  
3338 company which are not known to the company or successor entity  
3339 present them in accordance with the notice. The notice must:

3340 1. State the name of the company and the date of  
3341 dissolution;

3342 2. Describe the information that must be included in a  
3343 claim, state that the claim must be in writing, and provide a  
3344 mailing address to which the claim may be sent; and

3345 3. State that a claim against the company is barred unless  
3346 an action to enforce the claim is commenced within 4 years after  
3347 the filing of the notice.

3348 (b) The company or successor entity may publish notice of  
3349 its dissolution and request persons who have claims against the  
3350 company to present them in accordance with the notice. The  
3351 notice must:

3352 1. Be published in a newspaper of general circulation in



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3353 the county in which the dissolved limited liability company's  
3354 principal office is located or, if the principal office is not  
3355 located in this state, in the county in which the office of the  
3356 company's registered agent is or was last located;

3357 2. Describe the information that must be included in a  
3358 claim, state that the claim must be in writing, and provide a  
3359 mailing address to which the claim is to be sent; and

3360 3. State that a claim against the company is barred unless  
3361 an action to enforce the claim is commenced within 4 years after  
3362 publication of the notice.

3363 (2) If a dissolved limited liability company complies with  
3364 paragraph (1)(a) or paragraph (1)(b), unless sooner barred by  
3365 another statute limiting actions, the claim of each of the  
3366 following claimants is barred unless the claimant commences an  
3367 action to enforce the claim against the dissolved limited  
3368 liability company within 4 years after the publication date of  
3369 the notice:

3370 (a) A claimant that did not receive notice in a record  
3371 under s. 605.0711;

3372 (b) A claimant whose claim was timely sent to the  
3373 dissolved limited liability company but not acted on; and

3374 (c) A claimant whose claim is contingent at or based on an  
3375 event occurring after the effective date of dissolution.

3376 (3) A claim that is not barred by this section, s.  
3377 608.0711, or another statute limiting actions, may be enforced:

3378 (a) Against a dissolved limited liability company, to the  
3379 extent of its undistributed assets; and

3380 (b) Except as otherwise provided in s. 605.0713, if assets

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3381 of the limited liability company have been distributed after  
3382 dissolution, against a member or transferee to the extent of  
3383 that person's proportionate share of the claim or of the  
3384 company's assets distributed to the member or transferee after  
3385 dissolution, whichever is less, but a person's total liability  
3386 for all claims under this subsection may not exceed the total  
3387 amount of assets distributed to the person after dissolution.

3388 (4) This section does not extend an otherwise applicable  
3389 statute of limitations.

3390 605.0713 Court proceedings.-

3391 (1) A dissolved limited liability company that has filed  
3392 or published a notice under s. 605.0712(1)(a) or (1)(b) may file  
3393 an application with the circuit court in the applicable county,  
3394 as defined in s. 605.0711(15), for a determination of the amount  
3395 and form of security to be provided for payment of claims that  
3396 are contingent, have not been made known to the company, or are  
3397 based on an event occurring after the effective date of  
3398 dissolution but which, based on the facts known to the dissolved  
3399 company, are reasonably expected to arise after the effective  
3400 date of dissolution. Security is not required for a claim that  
3401 is, or is reasonably anticipated to be, barred under s.  
3402 605.0712.

3403 (2) Within 10 days after filing an application under  
3404 subsection (1), the dissolved limited liability company must  
3405 give notice of the proceeding to each claimant holding a  
3406 contingent claim known to the company.

3407 (3) In a proceeding under this section, the court may  
3408 appoint a guardian ad litem to represent all claimants whose

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3409 identities are unknown. The reasonable fees and expenses of the  
3410 guardian ad litem, including all reasonable expert witness fees,  
3411 must be paid by the dissolved limited liability company.

3412 (4) A dissolved limited liability company that provides  
3413 security in the amount and form ordered by the court under  
3414 subsection (1) satisfies the company's obligations with respect  
3415 to claims that are contingent, have not been made known to the  
3416 company, or are based on an event occurring after the effective  
3417 date of dissolution, and such claims may not be enforced against  
3418 a member or transferee that received assets in liquidation.

3419 605.0714 Administrative dissolution.-

3420 (1) The department may dissolve a limited liability  
3421 company administratively if the company does not:

3422 (a) Deliver its annual report to the department by 5:00  
3423 p.m. Eastern Time on the third Friday in September of each year;

3424 (b) Pay a fee or penalty due to the department under this  
3425 chapter;

3426 (c) Appoint and maintain a registered agent as required  
3427 under s. 605.0113; or

3428 (d) Deliver for filing a statement of a change under s.  
3429 605.0114 within 30 days after a change has occurred in the name  
3430 or address of the agent unless, within 30 days after the change  
3431 occurred:

3432 1. The agent filed a statement of change under s.  
3433 605.0116; or

3434 2. The change was made accordance with s. 605.0114(4).

3435 (2) Administrative dissolution of a limited liability  
3436 company for failure to file an annual report must occur on the

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3437 fourth Friday in September of each year. The department shall  
3438 issue a notice in a record of administrative dissolution to the  
3439 limited liability company dissolved for failure to file an  
3440 annual report. Issuance of the notice may be by electronic  
3441 transmission to a limited liability company that has provided  
3442 the department with an e-mail address.

3443 (3) If the department determines that one or more grounds  
3444 exist for administratively dissolving a limited liability  
3445 company under paragraph (1)(b), paragraph (1)(c), or paragraph  
3446 (1)(d), the department shall serve notice in a record to the  
3447 limited liability company of its intent to administratively  
3448 dissolve the limited liability company. Issuance of the notice  
3449 may be by electronic transmission to a limited liability company  
3450 that has provided the department with an e-mail address.

3451 (4) If, within 60 days after sending the notice of intent  
3452 to administratively dissolve pursuant to subsection (3), a  
3453 limited liability company does not correct each ground for  
3454 dissolution under paragraph (1)(b), paragraph (1)(c), or  
3455 paragraph (1)(d) or demonstrate to the reasonable satisfaction  
3456 of the department that each ground determined by the department  
3457 does not exist, the department shall dissolve the limited  
3458 liability company administratively and issue to the company a  
3459 notice in a record of administrative dissolution that states the  
3460 grounds for dissolution. Issuance of the notice of  
3461 administrative dissolution may be by electronic transmission to  
3462 a limited liability company that has provided the department  
3463 with an e-mail address.

3464 (5) A limited liability company that has been

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3465 administratively dissolved continues in existence but may only  
3466 carry on activities necessary to wind up its activities and  
3467 affairs, liquidate and distribute its assets, and notify  
3468 claimants under ss. 605.0711 and 605.0712.

3469 (6) The administrative dissolution of a limited liability  
3470 company does not terminate the authority of its registered agent  
3471 for service of process.

3472 605.0715 Reinstatement.—

3473 (1) A limited liability company that is administratively  
3474 dissolved under s. 605.0714 may apply to the department for  
3475 reinstatement at any time after the effective date of  
3476 dissolution. The company must submit a form of application for  
3477 reinstatement prescribed and furnished by the department and  
3478 provide all of the information required by the department,  
3479 together with all fees and penalties then owed by the company at  
3480 the rates provided by law at the time the company applies for  
3481 reinstatement.

3482 (2) If the department determines that an application for  
3483 reinstatement contains the information required under subsection  
3484 (1) and that the information is correct, upon payment of all  
3485 required fees and penalties, the department shall reinstate the  
3486 limited liability company.

3487 (3) When reinstatement under this section becomes  
3488 effective:

3489 (a) The reinstatement relates back to and takes effect as  
3490 of the effective date of the administrative dissolution.

3491 (b) The limited liability company may resume its  
3492 activities and affairs as if the administrative dissolution had

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3493 not occurred.

3494 (c) The rights of a person arising out of an act or  
3495 omission in reliance on the dissolution before the person knew  
3496 or had notice of the reinstatement are not affected.

3497 (4) The name of the dissolved limited liability company is  
3498 not available for assumption or use by another business entity  
3499 until 1 year after the effective date of dissolution unless the  
3500 dissolved limited liability company provides the department with  
3501 a record executed as required pursuant to s. 605.0203 permitting  
3502 the immediate assumption or use of the name by another limited  
3503 liability company.

3504 605.0716 Judicial review of denial of reinstatement.-

3505 (1) If the department denies a limited liability company's  
3506 application for reinstatement after administrative dissolution,  
3507 the department shall serve the company with a notice in a record  
3508 that explains the reason or reasons for the denial.

3509 (2) Within 30 days after service of a notice of denial of  
3510 reinstatement, a limited liability company may appeal the denial  
3511 by petitioning the circuit court in the applicable county, as  
3512 defined in s. 605.0711(15), to set aside the dissolution. The  
3513 petition must be served on the department and contain a copy of  
3514 the department's notice of administrative dissolution, the  
3515 company's application for reinstatement, and the department's  
3516 notice of denial.

3517 (3) The court may order the department to reinstate a  
3518 dissolved limited liability company or take other action the  
3519 court considers appropriate.

3520 605.0717 Effect of dissolution.-

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3521 (1) Dissolution of a limited liability company does not:

3522 (a) Transfer title to the limited liability company's  
3523 assets;

3524 (b) Prevent commencement of a proceeding by or against the  
3525 limited liability company in its name;

3526 (c) Abate or suspend a proceeding pending by or against  
3527 the limited liability company on the effective date of  
3528 dissolution; or

3529 (d) Terminate the authority of the registered agent of the  
3530 limited liability company.

3531 (2) Except as provided in s. 605.0715(4), the name of the  
3532 dissolved limited liability company is not available for  
3533 assumption or use by another business entity until 120 days  
3534 after the effective date of dissolution or filing of a statement  
3535 of termination, if earlier.

3536 605.0801 Direct action by member.—

3537 (1) Subject to subsection (2), a member may maintain a  
3538 direct action against another member, a manager, or the limited  
3539 liability company to enforce the member's rights and otherwise  
3540 protect the member's interests, including rights and interests  
3541 under the operating agreement or this chapter or arising  
3542 independently of the membership relationship.

3543 (2) A member maintaining a direct action under this  
3544 section must plead and prove an actual or threatened injury that  
3545 is not solely the result of an injury suffered or threatened to  
3546 be suffered by the limited liability company.

3547 605.0802 Derivative action.—A member may maintain a  
3548 derivative action to enforce a right of a limited liability

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3549 company if:

3550 (1) The member first makes a demand on the other members  
3551 in a member-managed limited liability company or the managers of  
3552 a manager-managed limited liability company requesting that the  
3553 managers or other members cause the company to take suitable  
3554 action to enforce the right, and the managers or other members  
3555 do not take the action within a reasonable time, not to exceed  
3556 90 days; or

3557 (2) A demand under subsection (1) would be futile, or  
3558 irreparable injury would result to the company by waiting for  
3559 the other members or the managers to take action to enforce the  
3560 right in accordance with subsection (1).

3561 605.0803 Proper plaintiff.—A derivative action to enforce  
3562 a right of a limited liability company may be maintained only by  
3563 a person who is a member at the time the action is commenced  
3564 and:

3565 (1) Was a member when the conduct giving rise to the  
3566 action occurred; or

3567 (2) Whose status as a member devolved on the person by  
3568 operation of law or pursuant to the terms of the operating  
3569 agreement from a person who was a member at the time of the  
3570 conduct.

3571 605.0804 Special litigation committee.—

3572 (1) If a limited liability company is named as or made a  
3573 party in a derivative action, the company may appoint a special  
3574 litigation committee to investigate the claims asserted in the  
3575 derivative action and determine whether pursuing the action is  
3576 in the best interest of the company. If the company appoints a



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3577 special litigation committee, on motion, except for good cause  
3578 shown, the court may stay any derivative action for the time  
3579 reasonably necessary to permit the committee to make its  
3580 investigation. This subsection does not prevent the court from:

3581 (a) Enforcing a person's rights under the company's  
3582 operating agreement or this chapter, including the person's  
3583 rights to information under s. 605.0410; or

3584 (b) Exercising its equitable or other powers, including  
3585 granting extraordinary relief in the form of a temporary  
3586 restraining order or preliminary injunction.

3587 (2) A special litigation committee must be composed of one  
3588 or more disinterested and independent individuals, who may be  
3589 members.

3590 (3) A special litigation committee may be appointed:

3591 (a) In a member-managed limited liability company, by the  
3592 consent of the members who are not named as parties in the  
3593 derivative action, who are otherwise disinterested and  
3594 independent, and who hold a majority of the current percentage  
3595 or other interest in the profits of the company owned by all of  
3596 the members of the company who are not named as parties in the  
3597 derivative action and who are otherwise disinterested and  
3598 independent;

3599 (b) In a manager-managed limited liability company, by a  
3600 majority of the managers not named as parties in the derivative  
3601 action and who are otherwise disinterested and independent; or

3602 (c) Upon motion by the limited liability company,  
3603 consisting of a panel of one or more disinterested and  
3604 independent persons.

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3605 (4) After appropriate investigation, a special litigation  
3606 committee shall determine what action is in the best interest of  
3607 the limited liability company, including continuing, dismissing,  
3608 or settling the derivative action or taking another action that  
3609 the special litigation committee deems appropriate.

3610 (5) After making a determination under subsection (4), a  
3611 special litigation committee shall file or cause to be filed  
3612 with the court a statement of its determination and its report  
3613 supporting its determination and shall serve each party to the  
3614 derivative action with a copy of the determination and report.  
3615 Upon motion to enforce the determination of the special  
3616 litigation committee, the court shall determine whether the  
3617 members of the committee were disinterested and independent and  
3618 whether the committee conducted its investigation and made its  
3619 recommendation in good faith, independently, and with reasonable  
3620 care, with the committee having the burden of proof. If the  
3621 court finds that the members of the committee were disinterested  
3622 and independent and that the committee acted in good faith,  
3623 independently, and with reasonable care, the court may enforce  
3624 the determination of the committee. Otherwise, the court shall  
3625 dissolve any stay of derivative action entered under subsection  
3626 (1) and allow the derivative action to continue under the  
3627 control of the plaintiff.

3628 605.0805 Proceeds and expenses.-

3629 (1) Except as otherwise provided in subsection (2):

3630 (a) Proceeds or other benefits of a derivative action  
3631 under s. 605.0802, whether by judgment, compromise, or  
3632 settlement, belong to the limited liability company and not to

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3633 the plaintiff; and

3634 (b) If the plaintiff receives any proceeds, the plaintiff  
3635 shall remit them immediately to the company.

3636 (2) If a derivative action under s. 608.0802 is successful  
3637 in whole or in part, the court may award the plaintiff  
3638 reasonable expenses, including reasonable attorney fees and  
3639 costs, from the recovery of the limited liability company.

3640 605.0806 Voluntary dismissal or settlement; notice.-

3641 (1) A derivative action on behalf of a limited liability  
3642 company may not be voluntarily dismissed or settled without the  
3643 court's approval.

3644 (2) If the court determines that a proposed voluntary  
3645 dismissal or settlement will substantially affect the interest  
3646 of the limited liability company's members or a class, series,  
3647 or voting group of members, the court shall direct that notice  
3648 be given to the members affected. The court may determine which  
3649 party or parties to the derivative action shall bear the expense  
3650 of giving the notice.

3651 605.0901 Governing law.-

3652 (1) The law of the state or other jurisdiction under which  
3653 a foreign limited liability company exists governs:

3654 (a) The organization and internal affairs of the foreign  
3655 limited liability company; and

3656 (b) The liability of a member as member and a manager as  
3657 manager for the debts, obligations, or other liabilities of the  
3658 foreign limited liability company.

3659 (2) A foreign limited liability company may not be denied  
3660 a certificate of authority by reason of a difference between its

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3661 jurisdiction of formation and the laws of this state.

3662 (3) A certificate of authority does not authorize a  
3663 foreign limited liability company to engage in any business or  
3664 exercise any power that a limited liability company may not  
3665 engage in or exercise in this state.

3666 605.0902 Application for certificate of authority.-

3667 (1) A foreign limited liability company may not transact  
3668 business in this state until it obtains a certificate of  
3669 authority from the department. A foreign limited liability  
3670 company may apply for a certificate of authority to transact  
3671 business in this state by delivering an application to the  
3672 department for filing. Such application must be made on forms  
3673 prescribed by the department. The application must contain the  
3674 following:

3675 (a) The name of the foreign limited liability company and,  
3676 if the name does not comply with s. 605.0112, an alternate name  
3677 adopted pursuant to s. 605.0906.

3678 (b) The name of the foreign limited liability company's  
3679 jurisdiction of formation.

3680 (c) The principal office and mailing addresses of the  
3681 foreign limited liability company.

3682 (d) The name and street address in this state of, and the  
3683 written acceptance by, the foreign limited liability company's  
3684 initial registered agent in this state.

3685 (e) The name, title or capacity, and address of at least  
3686 one person who has the authority to manage the foreign limited  
3687 liability company.

3688 (f) Additional information as may be necessary or

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3689 appropriate in order to enable the department to determine  
3690 whether the foreign limited liability company is entitled to  
3691 file an application for a certificate of authority to transact  
3692 business in this state and to determine and assess the fees as  
3693 prescribed in this chapter.

3694 (2) A foreign limited liability company shall deliver with  
3695 a completed application under subsection (1) a certificate of  
3696 existence or a record of similar import signed by the Secretary  
3697 of State or other official having custody of the foreign limited  
3698 liability company's publicly filed records in its jurisdiction  
3699 of formation, dated not more than 90 days before the delivery of  
3700 the application to the department.

3701 (3) For purposes of complying with the requirements of  
3702 this chapter, the department may require each individual series  
3703 or cell of a foreign series limited liability company that  
3704 transacts business in this state to make a separate application  
3705 for certificate of authority, and to make such other filings as  
3706 may be required for purposes of complying with the requirements  
3707 of this chapter as if each such series or cell were a separate  
3708 foreign limited liability company.

3709 605.0903 Effect of a certificate of authority.-

3710 (1) Unless the department determines that an application  
3711 for a certificate of authority of a foreign limited liability  
3712 company to transact business in this state does not comply with  
3713 the filing requirements of this chapter, the department shall,  
3714 upon payment of all filing fees, authorize the foreign limited  
3715 liability company to transact business in this state and file  
3716 the application for a certificate of authority.

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3717       (2) The filing by the department of an application for a  
3718 certificate of authority authorizes the foreign limited  
3719 liability company that files the application to transact  
3720 business in this state, subject, however, to the right of the  
3721 department to suspend or revoke the certificate of authority as  
3722 provided in this chapter.

3723       605.0904 Effect of failure to have certificate of  
3724 authority.—

3725       (1) A foreign limited liability company transacting  
3726 business in this state or its successors may not maintain an  
3727 action or proceeding in this state unless it has a certificate  
3728 of authority to transact business in this state.

3729       (2) The successor to a foreign limited liability company  
3730 that transacted business in this state without a certificate of  
3731 authority and the assignee of a cause of action arising out of  
3732 that business may not maintain a proceeding based on that cause  
3733 of action in a court in this state until the foreign limited  
3734 liability company or its successor obtains a certificate of  
3735 authority.

3736       (3) A court may stay a proceeding commenced by a foreign  
3737 limited liability company or its successor or assignee until it  
3738 determines whether the foreign limited liability company or its  
3739 successor requires a certificate of authority. If it so  
3740 determines, the court may further stay the proceeding until the  
3741 foreign limited liability company or its successor obtains the  
3742 certificate.

3743       (4) The failure of a foreign limited liability company to  
3744 have a certificate of authority to transact business in this

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3745 state does not impair the validity of a contract or act of the  
3746 foreign limited liability company or prevent the foreign limited  
3747 liability company from defending an action or proceeding in this  
3748 state.

3749 (5) A member or manager of a foreign limited liability  
3750 company is not liable for the debts, obligations, or other  
3751 liabilities of the foreign limited liability company solely  
3752 because the foreign limited liability company transacted  
3753 business in this state without a certificate of authority.

3754 (6) If a foreign limited liability company transacts  
3755 business in this state without a certificate of authority or  
3756 cancels its certificate of authority, it appoints the department  
3757 as its agent for service of process for rights of action arising  
3758 out of the transaction of business in this state.

3759 (7) A foreign limited liability company that transacts  
3760 business in this state without obtaining a certificate of  
3761 authority is liable to this state for the years or parts thereof  
3762 during which it transacted business in this state without  
3763 obtaining a certificate of authority in an amount equal to all  
3764 fees and penalties that would have been imposed by this chapter  
3765 upon the foreign limited liability company had it duly applied  
3766 for and received a certificate authority to transact business in  
3767 this state as required under this chapter. In addition to the  
3768 payments thus prescribed, the foreign limited liability company  
3769 is liable for a civil penalty of at least \$500 but not more than  
3770 \$1,000 for each year or part thereof during which it transacts  
3771 business in this state without a certificate of authority. The  
3772 department may collect all penalties due under this subsection.

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3773 605.0905 Activities not constituting transacting

3774 business.-

3775 (1) The following activities, among others, do not  
3776 constitute transacting business within the meaning of s.

3777 605.0902(1):

3778 (a) Maintaining, defending, or settling any proceeding.

3779 (b) Holding meetings of the managers or members or  
3780 carrying on other activities concerning internal company  
3781 affairs.

3782 (c) Maintaining bank accounts.

3783 (d) Maintaining managers or agencies for the transfer,  
3784 exchange, and registration of the foreign limited liability  
3785 company's own securities or maintaining trustees or depositaries  
3786 with respect to those securities.

3787 (e) Selling through independent contractors.

3788 (f) Soliciting or obtaining orders, whether by mail or  
3789 through employees, agents, or otherwise, if the orders require  
3790 acceptance outside this state before they become contracts.

3791 (g) Creating or acquiring indebtedness, mortgages, and  
3792 security interests in real or personal property.

3793 (h) Securing or collecting debts or enforcing mortgages  
3794 and security interests in property securing the debts.

3795 (i) Transacting business in interstate commerce.

3796 (j) Conducting an isolated transaction that is completed  
3797 within 30 days and that is not one in the course of repeated  
3798 transactions of a like nature.

3799 (k) Owning and controlling a subsidiary corporation  
3800 incorporated in or limited liability company formed in, or



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3801 transacting business within, this state; voting the stock of any  
3802 such subsidiary corporation; or voting the membership interests  
3803 of any such limited liability company, which it has lawfully  
3804 acquired.

3805 (1) Owning a limited partner interest in a limited  
3806 partnership that is transacting business within this state,  
3807 unless the limited partner manages or controls the partnership  
3808 or exercises the powers and duties of a general partner.

3809 (m) Owning, without more, real or personal property.

3810 (2) The list of activities in subsection (1) is not an  
3811 exhaustive list of activities that constitute transacting  
3812 business within the meaning of s. 605.0902(1).

3813 (3) The ownership in this state of income-producing real  
3814 property or tangible personal property, other than property  
3815 excluded under subsection (1), constitutes transacting business  
3816 in this state for purposes of s. 605.0902(1).

3817 (4) This section does not apply when determining the  
3818 contacts or activities that may subject a foreign limited  
3819 liability company to service of process, taxation, or regulation  
3820 under the law of this state other than this chapter.

3821 605.0906 Noncomplying name of foreign limited liability  
3822 company.-

3823 (1) A foreign limited liability company whose name is  
3824 unavailable under or whose name does not otherwise comply with  
3825 s. 605.0112 may use an alternate name that complies with s.  
3826 605.0112 to transact business in this state. An alternate name  
3827 adopted for use in this state shall be cross-referenced to the  
3828 actual name of the foreign limited liability company in the

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3829 records of the department. If the actual name of the foreign  
3830 limited liability company subsequently becomes available in this  
3831 state or the foreign limited liability company chooses to change  
3832 its alternate name, a copy of the record approving the change by  
3833 its members, managers, or other persons having the authority to  
3834 do so, and executed as required pursuant to s. 605.0203, shall  
3835 be delivered to the department for filing.

3836 (2) A foreign limited liability company that adopts an  
3837 alternate name under subsection (1) and obtains a certificate of  
3838 authority with the alternate name need not comply with s.  
3839 865.09.

3840 (3) After obtaining a certificate of authority with an  
3841 alternate name, a foreign limited liability company shall  
3842 transact business in this state under the alternate name unless  
3843 the company is authorized under s. 865.09 to transact business  
3844 in this state under another name.

3845 (4) If a foreign limited liability company authorized to  
3846 transact business in this state changes its name to one that  
3847 does not comply with s. 605.0112, it may not thereafter transact  
3848 business in this state until it complies with subsection (1) and  
3849 obtains an amended certificate of authority.

3850 605.0907 Amendment to certificate of authority.-

3851 (1) A foreign limited liability company authorized to  
3852 transact business in this state shall deliver for filing an  
3853 amendment to its certificate of authority to reflect the change  
3854 of any of the following:

3855 (a) Its name on the records of the department.

3856 (b) Its jurisdiction of formation.

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3857 (c) The name and street address in this state of the  
3858 company's registered agent in this state, unless the change was  
3859 timely made in accordance with s. 605.0114 or s. 605.0116.

3860 (d) Any person identified in accordance with s.  
3861 605.0902(1)(e), or a change in the title or capacity or address  
3862 of that person.

3863 (2) The amendment must be filed within 30 days after the  
3864 occurrence of a change described in subsection (1), must be  
3865 signed by an authorized representative of the foreign limited  
3866 liability company, and must state the following:

3867 (a) The name of the foreign limited liability company as  
3868 it appears on the records of the department.

3869 (b) Its jurisdiction of formation.

3870 (c) The date the foreign limited liability company was  
3871 authorized to transact business this state.

3872 (d) If the name of the foreign limited liability company  
3873 has been changed, the name relinquished and its new name.

3874 (e) If the amendment changes the jurisdiction of formation  
3875 of the foreign limited liability company, a statement of that  
3876 change.

3877 (3) Subject to subsection (4), a foreign limited liability  
3878 company authorized to do business in this state may make  
3879 application to the department to obtain an amended certificate  
3880 of authority to add, remove, or change the name, title,  
3881 capacity, or address of a person who has the authority to manage  
3882 the foreign limited liability company.

3883 (4) The requirements of s. 605.0902(2) for obtaining an  
3884 original certificate of authority apply to obtaining an amended

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3885 certificate under this section unless the Secretary of State or  
3886 other official having custody of the foreign limited liability  
3887 company's publicly filed records in its jurisdiction of  
3888 formation did not require an amendment to effectuate the change  
3889 on its records.

3890 605.0908 Revocation of certificate of authority.—

3891 (1) A certificate of authority of a foreign limited  
3892 liability company to transact business in this state may be  
3893 revoked by the department if:

3894 (a) The foreign limited liability company does not deliver  
3895 its annual report to the department by 5 p.m. Eastern Time on  
3896 the third Friday in September of each year;

3897 (b) The foreign limited liability company does not pay a  
3898 fee or penalty due to the department under this chapter;

3899 (c) The foreign limited liability company does not appoint  
3900 and maintain a registered agent as required under s. 605.0113;

3901 (d) The foreign limited liability company does not deliver  
3902 for filing a statement of a change under s. 605.0114 within 30  
3903 days after a change has occurred in the name or address of the  
3904 agent, unless, within 30 days after the change occurred, either:

3905 1. The registered agent files a statement of change under  
3906 s. 605.0116; or

3907 2. The change was made in accordance with s. 605.0114(4)  
3908 or s. 605.0907(1)(d);

3909 (e) The foreign limited liability company has failed to  
3910 amend its certificate of authority to reflect a change in its  
3911 name on the records of the department or its jurisdiction of  
3912 formation;

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3913 (f) The department receives a duly authenticated  
3914 certificate from the official having custody of records in the  
3915 company's jurisdiction of formation stating that it has been  
3916 dissolved or is no longer active on the official's records;

3917 (g) The foreign limited liability company's period of  
3918 duration has expired;

3919 (h) A member, manager, or agent of the foreign limited  
3920 liability company signs a document that the member, manager, or  
3921 agent knew was false in a material respect with the intent that  
3922 the document be delivered to the department for filing; or

3923 (i) The foreign limited liability company has failed to  
3924 answer truthfully and fully, within the time prescribed in s.  
3925 605.1104, interrogatories propounded by the department.

3926 (2) Revocation of a foreign limited liability company's  
3927 certificate of authority for failure to file an annual report  
3928 shall occur on the 4th Friday in September of each year. The  
3929 department shall issue a notice in a record of the revocation to  
3930 the revoked foreign limited liability company. Issuance of the  
3931 notice may be by electronic transmission to a foreign limited  
3932 liability company that has provided the department with an e-  
3933 mail address.

3934 (3) If the department determines that one or more grounds  
3935 exist under paragraphs (1)(b)-(i) for revoking a foreign limited  
3936 liability company's certificate of authority, the department  
3937 shall issue a notice in a record to the foreign limited  
3938 liability company of the department's intent to revoke the  
3939 certificate of authority. Issuance of the notice may be by  
3940 electronic transmission to a foreign limited liability company

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3941 that has provided the department with an e-mail address.

3942 (4) If, within 60 days after the department sends the  
3943 notice of intent to revoke in accordance with subsection (3),  
3944 the foreign limited liability company does not correct each  
3945 ground for revocation or demonstrate to the reasonable  
3946 satisfaction of the department that each ground determined by  
3947 the department does not exist, the department shall revoke the  
3948 foreign limited liability company's authority to transact  
3949 business in this state and issue a notice in a record of  
3950 revocation which states the grounds for revocation. Issuance of  
3951 the notice may be by electronic transmission to a foreign  
3952 limited liability company that has provided the department with  
3953 an e-mail address.

3954 605.0909 Reinstatement following revocation of certificate  
3955 of authority.-

3956 (1) A foreign limited liability company whose certificate  
3957 of authority has been revoked may apply to the department for  
3958 reinstatement at any time after the effective date of the  
3959 revocation. The foreign limited liability company applying for  
3960 reinstatement must provide information in a form prescribed and  
3961 furnished by the department and pay all fees and penalties then  
3962 owed by the foreign limited liability company at rates provided  
3963 by law at the time the foreign limited liability company applies  
3964 for reinstatement.

3965 (2) If the department determines that an application for  
3966 reinstatement contains the information required under subsection  
3967 (1) and that the information is correct, upon payment of all  
3968 required fees and penalties, the department shall reinstate the

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3969 foreign limited liability company's certificate of authority.

3970 (3) When a reinstatement becomes effective, it relates  
3971 back to and takes effect as of the effective date of the  
3972 revocation of authority and the foreign limited liability  
3973 company may resume its activities in this state as if the  
3974 revocation of authority had not occurred.

3975 (4) The name of the foreign limited liability company  
3976 whose certificate of authority has been revoked is not available  
3977 for assumption or use by another business entity until 1 year  
3978 after the effective date of revocation of authority unless the  
3979 limited liability company provides the department with a record  
3980 executed pursuant to s. 605.0203 which authorizes the immediate  
3981 assumption or use of its name by another limited liability  
3982 company.

3983 (5) If the name of the foreign limited liability company  
3984 applying for reinstatement has been lawfully assumed in this  
3985 state by another business entity, the department shall require  
3986 the foreign limited liability company to comply with s. 605.0906  
3987 before accepting its application for reinstatement.

3988 605.0910 Withdrawal and cancellation of certificate of  
3989 authority.—To cancel its certificate of authority to transact  
3990 business in this state, a foreign limited liability company must  
3991 deliver to the department for filing a notice of withdrawal of  
3992 certificate of authority. The certificate is canceled when the  
3993 notice becomes effective pursuant to s. 605.0207. The notice of  
3994 withdrawal of certificate of authority must be signed by an  
3995 authorized representative and state the following:

3996 (1) The name of the foreign limited liability company as

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3997 it appears on the records of the department.

3998 (2) The name of the foreign limited liability company's  
3999 jurisdiction of formation.

4000 (3) The date the foreign limited liability company was  
4001 authorized to transact business in this state.

4002 (4) The foreign limited liability company is withdrawing  
4003 its certificate of authority in this state.

4004 605.0911 Withdrawal deemed on conversion to domestic  
4005 filing entity.—A registered foreign limited liability company  
4006 that converts to a domestic limited liability company or to  
4007 another domestic entity that is organized, incorporated,  
4008 registered or otherwise formed through the delivery of a record  
4009 to the department for filing is deemed to have withdrawn its  
4010 certificate of authority on the effective date of the  
4011 conversion.

4012 605.0912 Withdrawal on dissolution, merger, or conversion  
4013 to nonfiling entity.—

4014 (1) A registered foreign limited liability company that  
4015 has dissolved and completed winding up, merged into a foreign  
4016 entity that is not registered in this state, or has converted to  
4017 a domestic or foreign entity that is not organized,  
4018 incorporated, registered or otherwise formed through the public  
4019 filing of a record, shall deliver a notice of withdrawal of  
4020 certificate of authority to the department for filing in  
4021 accordance with s. 605.0910.

4022 (2) After a withdrawal under this section of a foreign  
4023 entity that has converted to another type of entity is  
4024 effective, service of process in any action or proceeding based



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4025 on a cause of action arising during the time the foreign limited  
4026 liability company was registered to do business in this state  
4027 may be made pursuant to s. 605.0117.

4028 605.0913 Action by Department of Legal Affairs.—The  
4029 Department of Legal Affairs may maintain an action to enjoin a  
4030 foreign limited liability company from transacting business in  
4031 this state in violation of this chapter.

4032 605.1001 Relationship of the provisions of ss. 605.1001-  
4033 605.1072 to other laws.—

4034 (1) The provisions of ss. 605.1001-605.1072 do not  
4035 authorize an act prohibited by, and do not affect the  
4036 application or requirements of, law other than the provisions of  
4037 ss. 605.1001-605.1072.

4038 (2) A transaction effected under ss. 605.1001-605.1072 may  
4039 not create or impair a right or obligation on the part of a  
4040 person under a provision of the law of this state other than ss.  
4041 605.1001-605.1072, relating to a change in control, takeover,  
4042 business combination, control-share acquisition, or similar  
4043 transaction involving a merging, acquiring, or converting  
4044 domestic business corporation unless:

4045 (a) If the corporation does not survive the transaction,  
4046 the transaction satisfies the requirements of the provision; or

4047 (b) If the corporation survives the transaction, the  
4048 approval of the plan is by a vote of the shareholders or  
4049 directors which would be sufficient to create or impair the  
4050 right or obligation directly under the provision.

4051 605.1002 Charitable and donative provisions.—

4052 (1) Property held for a charitable purpose under the law

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4053 of this state by a domestic or foreign entity immediately before  
4054 a transaction under this chapter becomes effective may not, as a  
4055 result of the transaction, be diverted from the objects for  
4056 which it was donated, granted, devised, or otherwise transferred  
4057 unless, to the extent required under or pursuant to the law of  
4058 this state concerning cy pres or other law dealing with  
4059 nondiversion of charitable assets, the entity obtains an  
4060 appropriate order of the appropriate court specifying the  
4061 disposition of the property.

4062 (2) A bequest, devise, gift, grant, or promise contained  
4063 in a will or other instrument of donation, subscription, or  
4064 conveyance that is made to a merging entity that is not the  
4065 surviving entity and that takes effect or remains payable after  
4066 the merger inures to the surviving entity. A trust obligation  
4067 that would govern property if transferred to the nonsurviving  
4068 entity applies to property that is transferred to the surviving  
4069 entity under this section.

4070 605.1003 Status of filings.—A filing under ss. 605.1001-  
4071 605.1072 signed by a domestic entity becomes part of the public  
4072 organic record of the entity if the entity's organic law  
4073 provides that similar filings under that law become part of the  
4074 public organic record of the entity.

4075 605.1004 Nonexclusivity.—The fact that a transaction under  
4076 ss. 605.1001-605.1072 produces a certain result does not  
4077 preclude the same result from being accomplished in any other  
4078 manner authorized under a law other than the provisions of ss.  
4079 605.1001-605.1072.

4080 605.1005 Reference to external facts.—A plan may refer to

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4081 facts ascertainable outside the plan if the manner in which the  
4082 facts will operate upon the plan is specified in the plan. The  
4083 facts may include the occurrence of an event or a determination  
4084 or action by a person, whether or not the event, determination,  
4085 or action is within the control of a party to the transaction.

4086 605.1006 Appraisal rights.-

4087 (1) A member of a limited liability company is entitled to  
4088 appraisal rights and to obtain payment of the fair value of that  
4089 member's membership interest in the following events:

4090 (a) Consummation of a merger of a limited liability  
4091 company pursuant to this chapter where the member possessed the  
4092 right to vote upon the merger.

4093 (b) Consummation of a conversion of such limited liability  
4094 company pursuant to this chapter where the member possessed the  
4095 right to vote upon the conversion.

4096 (c) Consummation of an interest exchange pursuant to this  
4097 chapter where the member possessed the right to vote upon the  
4098 interest exchange except that appraisal rights are not available  
4099 to any interest holder of the limited liability company whose  
4100 interest in the limited liability company is not subject to  
4101 exchange in the interest exchange.

4102 (d) Consummation of a sale of substantially all of the  
4103 assets of a limited liability company where the member possessed  
4104 the right to vote upon the sale unless the sale is pursuant to  
4105 court order or the sale is for cash pursuant to a plan under  
4106 which all or substantially all of the net proceeds of the sale  
4107 will be distributed to the interest holders within 1 year after  
4108 the date of sale.

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4109 (e) An amendment to the organic rules of the entity which  
4110 reduces the interest of the holder to a fraction of an interest,  
4111 if the limited liability company will be obligated to or will  
4112 have the right to repurchase the fractional interest so created.

4113 (f) An amendment to the organic rules of an entity, the  
4114 effect of which is to alter or abolish voting or other rights  
4115 with respect to such interest in a manner that is adverse to the  
4116 interest of such member, except as the right may be affected by  
4117 the voting or other rights of new interests then being  
4118 authorized of a new class or series of interests.

4119 (g) An amendment to the organic rules of an entity the  
4120 effect of which is to adversely affect the interest of the  
4121 member by altering or abolishing appraisal rights under this  
4122 section.

4123 (h) To the extent otherwise expressly authorized by the  
4124 organic rules of the limited liability company.

4125 (2) A limited liability company may modify, restrict, or  
4126 eliminate the appraisal rights provided in this section in its  
4127 organic rules if the provision modifying, restricting, or  
4128 eliminating the appraisal rights is authorized by each member  
4129 whose appraisal rights are being modified, restricted, or  
4130 eliminated. Organic rules containing an express waiver of  
4131 appraisal rights that are approved by a member constitute a  
4132 waiver of appraisal rights with respect to such member to the  
4133 extent provided in such organic rules.

4134 (3) To the extent that appraisal rights are available  
4135 hereunder, ss. 605.1061-605.1072 govern the procedures with  
4136 respect to such appraisal rights as between the limited

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4137 liability company and its members.

4138 (4) Notwithstanding subsection (1), the availability of  
4139 appraisal rights must be limited in accordance with the  
4140 following provisions:

4141 (a) Appraisal rights are not available for holders of a  
4142 membership interests that are:

4143 1. A covered security under section 18(b)(1)(A) or (B) of  
4144 the Securities Act of 1933, as amended;

4145 2. Traded in an organized market and part of a class or  
4146 series that has at least 2,000 members or other holders and a  
4147 market value of at least \$20 million, exclusive of the value of  
4148 such class or series of membership interests held by the limited  
4149 liability company's subsidiaries, senior executives, managers,  
4150 and beneficial members owning more than 10 percent of such class  
4151 or series of membership interests; or

4152 3. Issued by an open-end management investment company  
4153 registered with the Securities and Exchange Commission under the  
4154 Investment Company Act of 1940 and subject to being redeemed at  
4155 the option of the holder at net asset value.

4156 (b) The applicability of paragraph (a) shall be determined  
4157 as of the date fixed to determine the members entitled to  
4158 receive notice of and to vote upon the appraisal event, or the  
4159 day before the effective date of such appraisal event if there  
4160 is no meeting of the members to vote upon the appraisal event.

4161 (c) Subsection (4) does not apply to, and appraisal rights  
4162 must be available pursuant to subsection (1) for, any members  
4163 who are required by the appraisal event to accept for their  
4164 membership interests anything other than cash or a proprietary

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4165 interest in an entity that satisfies the standards provided in  
4166 paragraph (a) at the time the appraisal event becomes effective.

4167 (d) Subsection (4) does not apply to, and appraisal rights  
4168 must be available pursuant to subsection (1) for, the holder of  
4169 a membership interest if:

4170 1. Any of the members' interests in the limited liability  
4171 company or the limited liability company's assets are being  
4172 acquired or converted, whether by merger, conversion, or  
4173 otherwise, pursuant to the appraisal event by a person or by an  
4174 affiliate of a person who:

4175 a. Is or at any time in the 1-year period immediately  
4176 preceding approval of the appraisal event was the beneficial  
4177 owner of 20 percent or more of those interests in the limited  
4178 liability company entitled to vote on the appraisal event,  
4179 excluding any such interests acquired pursuant to an offer for  
4180 all interests having such voting rights, if such offer was made  
4181 within 1 year before the appraisal event for consideration of  
4182 the same kind and of a value equal to or less than that paid in  
4183 connection with the appraisal event; or

4184 b. Directly or indirectly has, or at any time in the 1-  
4185 year period immediately preceding approval of the appraisal  
4186 event had, the power, contractually or otherwise, to cause the  
4187 appointment or election of any senior executives or managers of  
4188 the limited liability company; or

4189 2. Any of the members' interests in the limited liability  
4190 company or the limited liability company's assets are being  
4191 acquired or converted, whether by merger, conversion, or  
4192 otherwise, pursuant to the appraisal event by a person, or by an

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4193 affiliate of a person, who is or at any time in the 1-year  
4194 period immediately preceding approval of the appraisal event was  
4195 a senior executive of the limited liability company or a senior  
4196 executive of any affiliate of the limited liability company, and  
4197 that senior executive will receive, as a result of the limited  
4198 liability company action, a financial benefit not generally  
4199 available to members, other than:

4200 a. Employment, consulting, retirement, or similar benefits  
4201 established separately and not as part, or in contemplation, of  
4202 the appraisal event;

4203 b. Employment, consulting, retirement, or similar benefits  
4204 established in contemplation, or as part, of the appraisal event  
4205 which are not more favorable than those existing before the  
4206 appraisal event or, if more favorable, which have been approved  
4207 by the limited liability company; or

4208 c. In the case of a manager of the limited liability  
4209 company who will, during or as the result of the appraisal  
4210 event, become a manager, general partner, or director of the  
4211 surviving or converted entity or one of its affiliates, those  
4212 rights and benefits as a manager, general partner, or director  
4213 which are provided on the same basis as those afforded by the  
4214 surviving or converted entity generally to other managers,  
4215 general partners, or directors of the surviving or converted  
4216 entity or its affiliate.

4217 (e) For the purposes of sub-subparagraph (4)(d)1.a., the  
4218 term "beneficial owner" means a person who, directly or  
4219 indirectly, through a contract, arrangement, or understanding,  
4220 other than a revocable proxy, has or shares the right to vote or

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4221 to direct the voting of an interest in a limited liability  
4222 company with respect to approval of the appraisal event;  
4223 however, a member of a national securities exchange may not be  
4224 deemed to be a beneficial owner of an interest in a limited  
4225 liability company held directly or indirectly by it on behalf of  
4226 another person solely because the member is the record holder of  
4227 interests in the limited liability company if the member is  
4228 precluded by the rules of such exchange from voting without  
4229 instruction on contested matters or matters that may  
4230 substantially affect the rights or privileges of the holders of  
4231 the interests in the limited liability company to be voted. If  
4232 two or more persons agree to act together for the purpose of  
4233 voting such interests, each member of the group formed thereby  
4234 is deemed to have acquired beneficial ownership, as of the date  
4235 of such agreement, of all voting interests in the limited  
4236 liability company beneficially owned by a member or members of  
4237 the group.

4238 605.1021 Merger authorized.—

4239 (1) By complying with the provisions of ss. 605.1021-  
4240 605.1026:

4241 (a) One or more domestic limited liability companies may  
4242 merge with one or more domestic or foreign entities into a  
4243 domestic or foreign surviving entity; and

4244 (b) Two or more foreign entities may merge into a domestic  
4245 limited liability company.

4246 (2) By complying with the provisions of ss. 605.1021-  
4247 605.1026 which are applicable to foreign entities, a foreign  
4248 entity may be a party to a merger under the provisions of ss.



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4249 605.1021-605.1026 or may be the surviving entity in such a  
4250 merger if the merger is authorized by the law of the foreign  
4251 entity's jurisdiction of formation.

4252 (3) In the case of a merger involving a limited liability  
4253 company that is a not-for-profit company, the surviving limited  
4254 liability company or other business entity must also be a not-  
4255 for-profit entity.

4256 605.1022 Plan of merger.-

4257 (1) A domestic limited liability company may become a  
4258 party to a merger under the provisions of ss. 605.1021-605.1026  
4259 by approving a plan of merger. The plan must be in a record and  
4260 contain the following:

4261 (a) As to each merging entity, its name, jurisdiction of  
4262 formation, and type of entity.

4263 (b) The surviving entity in the merger.

4264 (c) The manner and basis of converting the interests and  
4265 the rights to acquire interests in each party to the merger into  
4266 interests, securities, obligations, money, other property,  
4267 rights to acquire interests or securities, or any combination of  
4268 the foregoing.

4269 (d) If the surviving entity exists before the merger, any  
4270 proposed amendments to or restatements of its public organic  
4271 record, or any proposed amendments to or restatements of its  
4272 private organic rules, which are or are proposed to be in a  
4273 record, and all such amendments or restatements that are  
4274 effective at the effective date of the merger.

4275 (e) If the surviving entity is to be created in the  
4276 merger, its proposed public organic record and the full text of

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4277 its private organic rules that are proposed to be in a record,  
4278 if any.

4279 (f) The other terms and conditions of the merger.

4280 (g) Any other provision required by the law of a merging  
4281 entity's jurisdiction of formation or the organic rules of a  
4282 merging entity.

4283 (2) In addition to the requirements under subsection (1),  
4284 a plan of merger may contain any other provision not prohibited  
4285 by law.

4286 605.1023 Approval of merger.—

4287 (1) A plan of merger is not effective unless it has been  
4288 approved:

4289 (a) With respect to a domestic merging limited liability  
4290 company, by a majority-in-interest of the members; and

4291 (b) In a record, by each member of a merging limited  
4292 liability company which will have interest holder liability for  
4293 debts, obligations, and other liabilities that arise after the  
4294 merger becomes effective, unless:

4295 1. The organic rules of the company in a record provide  
4296 for the approval of a merger in which some or all of its members  
4297 become subject to interest holder liability by the vote or  
4298 consent of fewer than all of the members; and

4299 2. The member consented in a record to or voted for that  
4300 provision of the organic rules or became a member after the  
4301 adoption of that provision.

4302 (2) A merger involving a domestic merging entity that is  
4303 not a limited liability company is not effective unless the  
4304 merger is approved by that entity in accordance with its organic

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4305 law.

4306 (3) A merger involving a foreign merging entity is not  
4307 effective unless the merger is approved by the foreign entity in  
4308 accordance with the law of the foreign entity's jurisdiction of  
4309 formation.

4310 (4) All members of each domestic limited liability company  
4311 that is a party to the merger who have a right to vote upon the  
4312 merger must be given written notice of any meeting with respect  
4313 to the approval of a plan of merger as provided in subsection  
4314 (1) not less than 10 days and not more than 60 days before the  
4315 date of the meeting at which the plan of merger is submitted for  
4316 approval by the members of such limited liability company. The  
4317 notification required under this subsection may be waived in  
4318 writing by the person or persons entitled to such notification.

4319 (5) The notification required under subsection (4) must be  
4320 in writing and must include the following:

4321 (a) The date, time, and place of the meeting at which the  
4322 plan of merger is to be submitted for approval by the members of  
4323 the limited liability company.

4324 (b) A copy of the plan of merger.

4325 (c) The statement or statements required under s. 605.1006  
4326 and ss. 605.1061-605.1072 regarding the availability of  
4327 appraisal rights, if any, to members of the limited liability  
4328 company.

4329 (d) The date on which such notification was mailed or  
4330 delivered to the members.

4331 (6) In addition to the requirements under subsection (5),  
4332 the notification required under subsection (4) may contain any

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4333 other information concerning the plan of merger not prohibited  
4334 by applicable law.

4335 (7) The notification required under subsection (4) is  
4336 deemed to be given at the earliest date of:

4337 (a) The date such notification is received;

4338 (b) Five days after the date such notification is  
4339 deposited in the United States mail addressed to the member at  
4340 the member's address as it appears in the books and records of  
4341 the limited liability company, with prepaid postage affixed;

4342 (c) The date shown on the return receipt if sent by  
4343 registered or certified mail, return receipt requested, and the  
4344 receipt is signed by or on behalf of the addressee; or

4345 (d) The date such notification is given in accordance with  
4346 the provisions of the organic rules of the limited liability  
4347 company.

4348 605.1024 Amendment or abandonment of plan of merger.-

4349 (1) A plan of merger may be amended only with the consent  
4350 of each party to the plan except as otherwise provided in the  
4351 plan or in the organic rules of each such entity.

4352 (2) A merging limited liability company may approve an  
4353 amendment of a plan of merger:

4354 (a) In the same manner that the plan was approved if the  
4355 plan does not provide for the manner in which it may be amended;  
4356 or

4357 (b) By the managers or members in the manner provided in  
4358 the plan, but a member who was entitled to vote on or consent to  
4359 the approval of the merger is entitled to vote on or consent to  
4360 an amendment of the plan which will change:

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4361 1. The amount or kind of interests, securities,  
4362 obligations, money, other property, rights to acquire interests  
4363 or securities, or any combination of the foregoing, to be  
4364 received by the interest holders of any party to the plan;

4365 2. The public organic record, if any, or private organic  
4366 rules of the surviving entity which will be in effect  
4367 immediately after the merger becomes effective, except for  
4368 changes that do not require approval of the interest holders of  
4369 the surviving entity under its organic law or organic rules; or

4370 3. Any other terms or conditions of the plan if the change  
4371 would adversely affect the member in any material respect.

4372 (3) After a plan of merger has been approved and before  
4373 the articles of merger become effective, the plan may be  
4374 abandoned as provided in the plan. Unless prohibited by the  
4375 plan, a domestic merging limited liability company may abandon  
4376 the plan in the same manner as the plan was approved.

4377 (4) If a plan of merger is abandoned after articles of  
4378 merger have been delivered to the department for filing and  
4379 before such articles of merger have become effective, a  
4380 statement of abandonment, signed by a party to the plan, must be  
4381 delivered to the department for filing before the articles of  
4382 merger become effective. The statement of abandonment takes  
4383 effect on filing, and the merger is abandoned and does not  
4384 become effective. The statement of abandonment must contain the  
4385 following:

4386 (a) The name of each party to the plan of merger.

4387 (b) The date on which the articles of merger were  
4388 delivered to the department for filing.

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4389 (c) A statement that the merger has been abandoned in  
4390 accordance with this section.

4391 605.1025 Articles of merger.—

4392 (1) After a plan of merger is approved, articles of merger  
4393 must be signed by each merging entity and delivered to the  
4394 department for filing.

4395 (2) The articles of merger must contain the following:

4396 (a) The name, jurisdiction of formation, and type of  
4397 entity of each merging entity that is not the surviving entity.

4398 (b) The name, jurisdiction of formation, and type of  
4399 entity of the surviving entity.

4400 (c) A statement that the merger was approved by each  
4401 domestic merging entity that is a limited liability company, if  
4402 any, in accordance with the provisions of ss. 605.1021-605.1026;  
4403 by each other merging entity, if any, in accordance with the law  
4404 of its jurisdiction of formation; and by each member of such  
4405 limited liability company who, as a result of the merger, will  
4406 have interest holder liability under s. 605.1023(1)(b) and whose  
4407 approval is required.

4408 (d) If the surviving entity exists before the merger and  
4409 is a domestic filing entity, any amendment to its public organic  
4410 record approved as part of the plan of merger.

4411 (e) If the surviving entity is created by the merger and  
4412 is a domestic filing entity, its public organic record, as an  
4413 attachment.

4414 (f) If the surviving entity is created by the merger and  
4415 is a domestic limited liability partnership or domestic limited  
4416 liability limited partnership, its statement of qualification,

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4417 as an attachment.

4418 (g) If the surviving entity is a foreign entity that does  
4419 not have a certificate of authority to transact business in this  
4420 state, a mailing address to which the department may send any  
4421 process served on the department pursuant to s. 605.0117 and  
4422 chapter 48.

4423 (h) A statement that the surviving entity has agreed to  
4424 pay to any members of any limited liability company with  
4425 appraisal rights the amount to which such members are entitled  
4426 under the provisions of s. 605.1006 and ss. 605.1061-605.1072.

4427 (i) The effective date of the merger if the effective date  
4428 of the merger is not the same as the date of filing of the  
4429 articles of merger, subject to the limitations contained in s.  
4430 605.0207.

4431 (3) In addition to the requirements of subsection (2),  
4432 articles of merger may contain any other provision not  
4433 prohibited by law.

4434 (4) A merger becomes effective when the articles of merger  
4435 become effective, unless the articles of merger specify an  
4436 effective time or a delayed effective date that complies with s.  
4437 605.0207.

4438 (5) A copy of the articles of merger, certified by the  
4439 department, may be filed in the official records of any county  
4440 in this state in which any party to the merger holds an interest  
4441 in real property.

4442 (6) A limited liability company is not required to deliver  
4443 articles of merger for filing pursuant to subsection (1) if the  
4444 limited liability company is named as a merging entity or

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4445 surviving entity in articles of merger or a certificate of  
4446 merger filed for the same merger in accordance with s. 607.1109,  
4447 s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and if such  
4448 articles of merger or certificate of merger substantially comply  
4449 with the requirements of this section. In such a case, the other  
4450 articles of merger or certificate of merger may also be used for  
4451 purposes of subsection (5).

4452 605.1026 Effect of merger.

4453 (1) When a merger becomes effective:

4454 (a) The surviving entity continues in existence;

4455 (b) Each merging entity that is not the surviving entity  
4456 ceases to exist;

4457 (c) All property of each merging entity vests in the  
4458 surviving entity without transfer, reversion or impairment;

4459 (d) All debts, obligations, and other liabilities of each  
4460 merging entity are debts, obligations, and other liabilities of  
4461 the surviving entity;

4462 (e) Except as otherwise provided by law or the plan of  
4463 merger, all the rights, privileges, immunities, powers, and  
4464 purposes of each merging entity vest in the surviving entity;

4465 (f) If the surviving entity exists before the merger:

4466 1. All its property continues to be vested in it without  
4467 transfer, reversion, or impairment;

4468 2. It remains subject to all of its debts, obligations,  
4469 and other liabilities; and

4470 3. All of its rights, privileges, immunities, powers, and  
4471 purposes continue to be vested in it;

4472 (g) The name of the surviving entity may be substituted



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4473 for the name of any merging entity that is a party to any  
4474 pending action or proceeding;

4475 (h) If the surviving entity exists before the merger:

4476 1. Its public organic record, if any, is amended as  
4477 provided in the articles of merger; and

4478 2. Its private organic rules that are to be in a record,  
4479 if any, are amended to the extent provided in the plan of  
4480 merger;

4481 (i) If the surviving entity is created by the merger:

4482 1. Its public organic record, if any, is effective; and

4483 2. Its private organic rules are effective; and

4484 (j) The interests or rights to acquire interests in each  
4485 merging entity which are to be converted in the merger are  
4486 converted, and the interest holders of those interests are  
4487 entitled only to the rights provided to them under the plan of  
4488 merger and to any appraisal rights they have under s. 605.1006  
4489 and ss. 605.1061-605.1072 and the merging entity's organic law.

4490 (2) Except as otherwise provided in the organic law or  
4491 organic rules of a merging entity:

4492 (a) The merger does not give rise to any rights that an  
4493 interest holder, governor, or third party would have upon a  
4494 dissolution, liquidation, or winding up of the merging entity;  
4495 and

4496 (b) The merging entity is not required to wind up its  
4497 affairs, pay its liabilities, and distribute its assets under  
4498 ss. 605.0701-605.0717, and the merger shall not constitute a  
4499 dissolution of the merging entity.

4500 (3) When a merger becomes effective, a person who did not

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4501 have interest holder liability with respect to any of the  
4502 merging entities and becomes subject to interest holder  
4503 liability with respect to a domestic entity as a result of the  
4504 merger will have interest holder liability only to the extent  
4505 provided by the organic law of that entity and only for those  
4506 debts, obligations, and other liabilities that arise after the  
4507 merger becomes effective.

4508 (4) When a merger becomes effective, the interest holder  
4509 liability of a person who ceases to hold an interest in a  
4510 domestic merging entity with respect to which the person had  
4511 interest holder liability is as follows:

4512 (a) The merger does not discharge an interest holder  
4513 liability under the organic law of the domestic merging entity  
4514 to the extent the interest holder liability arose before the  
4515 merger became effective.

4516 (b) The person does not have interest holder liability  
4517 under the organic law of the domestic merging entity for a debt,  
4518 obligation, or other liability that arises after the merger  
4519 becomes effective.

4520 (c) The organic law of the domestic merging entity and any  
4521 rights of contribution provided under such law, or the organic  
4522 rules of the domestic merging entity, continue to apply to the  
4523 release, collection, or discharge of any interest holder  
4524 liability preserved under paragraph (a) as if the merger had not  
4525 occurred and the surviving entity were the domestic merging  
4526 entity.

4527 (5) When a merger becomes effective, a foreign entity that  
4528 is the surviving entity may be served with process in this state

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4529 for the collection and enforcement of any debts, obligations, or  
4530 other liabilities of a domestic merging entity as provided in s.  
4531 605.0117 and chapter 48.

4532 (6) When a merger becomes effective, the certificate of  
4533 authority to transact business in this state of any foreign  
4534 merging entity that is not the surviving entity is canceled.

4535 605.1031 Interest exchange authorized.—

4536 (1) By complying with the provisions of ss. 605.1031-  
4537 605.1036:

4538 (a) A domestic limited liability company may acquire all  
4539 of one or more classes or series of interests of another  
4540 domestic or foreign entity, or rights to acquire one or more  
4541 classes or series of any such interests, in exchange for  
4542 interests, securities, obligations, money, other property,  
4543 rights to acquire interests or securities, or any combination of  
4544 the foregoing; or

4545 (b) All of one or more classes or series of interests of a  
4546 domestic limited liability company or rights to acquire one or  
4547 more classes or series of any such interests may be acquired by  
4548 another domestic or foreign entity in exchange for interests,  
4549 securities, obligations, money, other property, rights to  
4550 acquire interests or securities, or any combination of the  
4551 foregoing.

4552 (2) By complying with the provisions of ss. 605.1031-  
4553 605.1036 which are applicable to foreign entities, a foreign  
4554 entity may be the acquiring or acquired entity in an interest  
4555 exchange completed under the provisions of ss. 605.1031-605.1036  
4556 if the interest exchange is authorized by the organic law in the

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4557 foreign entity's jurisdiction of formation.

4558 (3) If a protected agreement contains a provision that  
4559 applies to a merger of a domestic limited liability company but  
4560 does not refer to an interest exchange, the provision applies to  
4561 an interest exchange in which the domestic limited liability  
4562 company is the acquired entity as if the interest exchange were  
4563 a merger until the provision is amended after January 1, 2014.

4564 605.1032 Plan of interest exchange.-

4565 (1) A domestic limited liability company may be the  
4566 acquired entity in an interest exchange under the provisions of  
4567 ss. 605.1031-605.1036 by approving a plan of interest exchange.

4568 The plan must be in a record and contain the following:

4569 (a) The name of the acquired entity.

4570 (b) The name, jurisdiction of formation, and type of  
4571 entity of the acquiring entity.

4572 (c) The manner and basis of converting the interests and  
4573 the rights to acquire interests of the members of each limited  
4574 liability company that is to be an acquired entity into  
4575 interests, securities, obligations, money, other property,  
4576 rights to acquire interests or securities, or any combination of  
4577 the foregoing.

4578 (d) If the acquired entity is a domestic limited liability  
4579 company, any proposed amendments to or restatements of its  
4580 public organic record or any amendments to or restatements of  
4581 its private organic rules that are or are proposed to be in a  
4582 record and all such amendments or restatements are effective at  
4583 the effective date of the interest exchange.

4584 (e) The other terms and conditions of the interest

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4585 exchange.

4586 (f) Any other provision required by the law of an acquired  
4587 entity's jurisdiction of formation, the organic rules of the  
4588 acquired entity, the organic rules of an acquiring entity, or  
4589 the law of the jurisdiction of formation of the acquiring  
4590 entity.

4591 (2) In addition to the requirements of subsection (1), a  
4592 plan of interest exchange may contain any other provision not  
4593 prohibited by law.

4594 605.1033 Approval of interest exchange.—

4595 (1) A plan of interest exchange is not effective unless it  
4596 has been approved:

4597 (a) With respect to a domestic limited liability company  
4598 that is the acquired entity in the interest exchange, by a  
4599 majority-in-interest of the members of such company; and

4600 (b) In a record, by each member of the domestic acquired  
4601 limited liability company that will have interest holder  
4602 liability for debts, obligations, and other liabilities that  
4603 arise after the interest exchange becomes effective, unless:

4604 1. The organic rules of the company in a record provide  
4605 for the approval of an interest exchange or a merger in which  
4606 some or all of its members become subject to interest holder  
4607 liability by the vote or consent of fewer than all the members;  
4608 and

4609 2. The member consented in a record to or voted for that  
4610 provision of the organic rules or became a member after the  
4611 adoption of that provision.

4612 (2) An interest exchange involving a domestic acquired

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4613 entity that is not a limited liability company is not effective  
4614 unless it is approved by the domestic entity in accordance with  
4615 its organic law.

4616 (3) An interest exchange involving a foreign acquired  
4617 entity is not effective unless it is approved by the foreign  
4618 entity in accordance with the law of the foreign entity's  
4619 jurisdiction of formation.

4620 (4) Except as otherwise provided in its organic law or  
4621 organic rules, the interest holders of the acquiring entity are  
4622 not required to approve the interest exchange.

4623 (5) All members of each domestic limited liability company  
4624 that is a party to the interest exchange and who have a right to  
4625 vote upon the interest exchange must be given written notice of  
4626 any meeting with respect to the approval of a plan of interest  
4627 exchange as provided in subsection (1) not less than 10 days and  
4628 not more than 60 days before the date of the meeting at which  
4629 the plan of interest exchange is submitted for approval by the  
4630 members of such limited liability company. The notification  
4631 required under this subsection may be waived in writing by the  
4632 person entitled to such notification.

4633 (6) The notification required under subsection (5) must be  
4634 in writing and must include the following:

4635 (a) The date, time, and place of the meeting at which the  
4636 plan of interest exchange is to be submitted for approval by the  
4637 members of the limited liability company.

4638 (b) A copy of the plan of interest exchange.

4639 (c) The statement or statements required under s. 605.1006  
4640 and ss. 605.1061-605.1072 regarding the availability of

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4641 appraisal rights, if any, to members of the limited liability  
4642 company.

4643 (d) The date on which such notification was mailed or  
4644 delivered to the members.

4645 (7) In addition to the requirements of subsection (6), the  
4646 notification required under subsection (5) may contain any other  
4647 information concerning the plan of interest exchange not  
4648 prohibited by applicable law.

4649 (8) The notification required under subsection (5) is  
4650 deemed to be given at the earliest date of:

4651 (a) The date the notification is received;

4652 (b) Five days after the date such notification is  
4653 deposited in the United States mail addressed to the member at  
4654 the member's address as it appears in the books and records of  
4655 the limited liability company, with prepaid postage affixed;

4656 (c) The date shown on the return receipt, if sent by  
4657 registered or certified mail, return receipt requested, and if  
4658 the receipt is signed by or on behalf of the addressee; or

4659 (d) The date such notification is given in accordance with  
4660 the provisions of the organic rules of the limited liability  
4661 company.

4662 605.1034 Amendment or abandonment of plan of interest  
4663 exchange.—

4664 (1) A plan of interest exchange may be amended only with  
4665 the consent of each party to the plan, except as otherwise  
4666 provided in the plan or in the organic rules of each such  
4667 entity.

4668 (2) A domestic acquired limited liability company may

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4669 approve an amendment of a plan of interest exchange:

4670 (a) In the same manner as the plan was approved, if the  
4671 plan does not provide for the manner in which it may be amended;  
4672 or

4673 (b) By the managers or members in the manner provided in  
4674 the plan, but a member who was entitled to vote on or consent to  
4675 approval of the interest exchange is entitled to vote on or  
4676 consent to any amendment of the plan which will change:

4677 1. The amount or kind of interests, securities,  
4678 obligations, money, other property, rights to acquire interests  
4679 or securities, or any combination of the foregoing, to be  
4680 received by the interest holders of any party to the plan;

4681 2. The public organic record, if any, or private organic  
4682 rules of the acquired entity which will be in effect immediately  
4683 after the interest exchange becomes effective, except for  
4684 changes that do not require approval of the interest holders of  
4685 the acquired entity under its organic law or organic rules; or

4686 3. Any other terms or conditions of the plan, if the  
4687 change would adversely affect the member in any material  
4688 respect.

4689 (3) After a plan of interest exchange has been approved  
4690 and before such articles of interest exchange become effective,  
4691 the plan may be abandoned as provided in the plan. Unless  
4692 prohibited by the plan, a domestic limited liability company may  
4693 abandon the plan in the same manner as the plan was approved.

4694 (4) If a plan of interest exchange is abandoned after  
4695 articles of interest exchange have been delivered to the  
4696 department for filing and before such articles of interest



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4697 exchange have become effective, a statement of abandonment,  
4698 signed by a party to the plan, must be delivered to the  
4699 department for filing before the articles of interest exchange  
4700 become effective. The statement of abandonment takes effect on  
4701 filing, and the interest exchange is abandoned and does not  
4702 become effective. The statement of abandonment must contain the  
4703 following:

4704 (a) The name of each party to the plan of interest  
4705 exchange.

4706 (b) The date on which the articles of interest exchange  
4707 were delivered to the department for filing.

4708 (c) A statement that the interest exchange has been  
4709 abandoned in accordance with this section.

4710 605.1035 Articles of interest exchange.—

4711 (1) After a plan of interest exchange has been approved,  
4712 articles of interest exchange must be signed by each party to  
4713 the interest exchange and delivered to the department for  
4714 filing.

4715 (2) The articles of interest exchange must contain the  
4716 following:

4717 (a) The name of the acquired limited liability company.

4718 (b) The name, jurisdiction of formation, and type of  
4719 entity of the acquiring entity.

4720 (c) A statement that the plan of interest exchange was  
4721 approved by the acquired limited liability entity in accordance  
4722 with the provisions of ss. 605.1031-605.1036 and by each member  
4723 of such limited liability company who, as a result of the  
4724 interest exchange, will have interest holder liability under s.

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4725 605.1033(1)(b) and whose approval is required.

4726 (d) Any amendments to the acquired limited liability  
4727 company's public organic record approved as part of the plan of  
4728 interest exchange.

4729 (e) A statement that the plan of interest exchange was  
4730 approved by each acquiring entity that is a party to the  
4731 interest exchange in accordance with the organic laws in its  
4732 jurisdiction of formation, or if such approval was not required,  
4733 a statement to that effect.

4734 (f) A statement that the acquiring entity has agreed to  
4735 pay to any members of the acquired entity with appraisal rights  
4736 the amount to which such members are entitled under s. 605.1006  
4737 and ss. 605.1061-605.1072.

4738 (g) The effective date of the interest exchange, if the  
4739 effective date of the interest exchange is not the same as the  
4740 date of filing of the articles of interest exchange, subject to  
4741 the limitations in s. 605.0207.

4742 (3) In addition to the requirements of subsection (2),  
4743 articles of interest exchange may include any other provision  
4744 not prohibited by law.

4745 (4) An interest exchange becomes effective when the  
4746 articles of interest exchange become effective, unless the  
4747 articles of interest exchange specify an effective time or a  
4748 delayed effective date that complies with s. 605.0207.

4749 (5) A limited liability company is not required to deliver  
4750 articles of interest exchange for filing pursuant to subsection  
4751 (1) if the domestic limited liability company is named as an  
4752 acquired entity or as an acquiring entity in the articles of

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4753 share exchange filed for the same interest exchange in  
4754 accordance with s. 607.1105(1) and if such articles of share  
4755 exchange substantially comply with the requirements of this  
4756 section.

4757 605.1036 Effect of interest exchange.-

4758 (1) When an interest exchange in which the acquired entity  
4759 is a domestic limited liability company becomes effective:

4760 (a) The interests in a domestic company which are the  
4761 subject of the interest exchange cease to exist or are converted  
4762 or exchanged, and the members holding those interests are  
4763 entitled only to the rights provided to them under the plan of  
4764 interest exchange and to any appraisal rights they have under s.  
4765 605.1006 and ss. 605.1061-605.1072;

4766 (b) The acquiring entity becomes the interest holder of  
4767 the interests in the acquired entity stated in the plan of  
4768 interest exchange to be acquired by the acquiring entity;

4769 (c) The public organic record of the acquired entity is  
4770 amended as provided in the articles of interest exchange; and

4771 (d) The provisions of the private organic rules of the  
4772 acquired entity that are to be in a record, if any, are amended  
4773 to the extent provided in the plan of interest exchange.

4774 (2) Except as otherwise provided in the organic rules of  
4775 the acquired limited liability company, the interest exchange  
4776 does not give rise to any rights that a member, manager, or  
4777 third party would have upon a dissolution, liquidation, or  
4778 winding up of the acquired entity.

4779 (3) When an interest exchange becomes effective, a person  
4780 who did not have interest holder liability with respect to a

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4781 domestic acquired limited liability company and who becomes  
4782 subject to interest holder liability with respect to a domestic  
4783 entity as a result of the interest exchange will have interest  
4784 holder liability only to the extent provided by the organic law  
4785 of the entity and only for those debts, obligations, and other  
4786 liabilities that arise after the interest exchange becomes  
4787 effective.

4788 (4) When an interest exchange becomes effective, the  
4789 interest holder liability of a person who ceases to hold an  
4790 interest in a domestic acquired limited liability company with  
4791 respect to which the person had interest holder liability is as  
4792 follows:

4793 (a) The interest exchange does not discharge any interest  
4794 holder liability to the extent the interest holder liability  
4795 arose before the interest exchange became effective.

4796 (b) The person does not have interest holder liability for  
4797 any debt, obligation, or other liability that arises after the  
4798 interest exchange becomes effective.

4799 (c) The organic law of the acquired entity's jurisdiction  
4800 of formation and any rights of contribution provided by such  
4801 law, or under the organic rules of the acquired entity, continue  
4802 to apply to the release, collection, or discharge of any  
4803 interest holder liability preserved under paragraph (a) as if  
4804 the interest exchange had not occurred.

4805 605.1041 Conversion authorized.-

4806 (1) By complying with the provisions of ss. 605.1041-  
4807 605.1046, a domestic limited liability company may become:

4808 (a) A domestic entity that is a different type of entity;

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4809 or

4810 (b) A foreign entity that is a limited liability company  
4811 or a different type of entity, if the conversion is authorized  
4812 by the law of the foreign entity's jurisdiction of formation.

4813 (2) By complying with the provisions of ss. 605.1041-  
4814 605.1046, which are applicable to a domestic entity that is not  
4815 a domestic limited liability company, the domestic entity may  
4816 become a domestic limited liability company if the conversion is  
4817 authorized by the law governing the domestic entity.

4818 (3) By complying with the provisions of ss. 605.1041-  
4819 608.1046 which are applicable to foreign entities, a foreign  
4820 entity may become a domestic limited liability company if the  
4821 conversion is authorized by the law of the foreign entity's  
4822 jurisdiction of formation.

4823 (4) If a protected agreement contains a provision that  
4824 applies to a merger of a domestic limited liability company but  
4825 does not refer to a conversion, the provision applies to a  
4826 conversion of the entity as if the conversion were a merger  
4827 until the provision is amended after January 1, 2014.

4828 605.1042 Plan of conversion.-

4829 (1) A domestic limited liability company may convert into  
4830 a different type of domestic entity or into a foreign entity  
4831 that is a foreign limited liability company or a different type  
4832 of foreign entity by approving a plan of conversion. The plan  
4833 must be in a record and contain the following:

4834 (a) The name of the converting limited liability company.

4835 (b) The name, jurisdiction of formation, and type of  
4836 entity of the converted entity.

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4837 (c) The manner and basis of converting the interests and  
4838 rights to acquire interests in the converting limited liability  
4839 company into interests, securities, obligations, money, other  
4840 property, rights to acquire interests or securities, or any  
4841 combination of the foregoing.

4842 (d) The proposed public organic record of the converted  
4843 entity, if it will be a filing entity.

4844 (e) The full text of the private organic rules of the  
4845 converted entity which are proposed to be in a record, if any.

4846 (f) Any other provision required by the law of this state  
4847 or the organic rules of the converted limited liability company,  
4848 if the entity is to be an entity other than a domestic limited  
4849 liability company.

4850 (g) All other statements required to be set forth in a  
4851 plan of conversion by the law of the jurisdiction of formation  
4852 of the converted entity following the conversion.

4853 (2) In addition to the requirements of subsection (1), a  
4854 plan of conversion may contain any other provision not  
4855 prohibited by law.

4856 605.1043 Approval of conversion.-

4857 (1) A plan of conversion is not effective unless it has  
4858 been approved:

4859 (a) If the converting entity is a domestic limited  
4860 liability company, by a majority-in-interest of the members of  
4861 such company who have a right to vote upon the conversion; and

4862 (b) In a record, by each member of a converting limited  
4863 liability company which will have interest holder liability for  
4864 debts, obligations, and other liabilities that arise after the

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4865 conversion becomes effective, unless:

4866 1. The organic rules of the company in a record provide  
4867 for the approval of a conversion in which some or all of its  
4868 members become subject to interest holder liability by the vote  
4869 or consent of less than all of the members; and

4870 2. The member consented in a record to or voted for that  
4871 provision of the organic rules or became a member after the  
4872 adoption of that provision.

4873 (2) A conversion involving a domestic converting entity  
4874 that is not a limited liability company is not effective unless  
4875 it is approved by the domestic converting entity in accordance  
4876 with its organic law.

4877 (3) A conversion of a foreign converting entity is not  
4878 effective unless it is approved by the foreign entity in  
4879 accordance with the law of the foreign entity's jurisdiction of  
4880 formation.

4881 (4) If the converting entity is a domestic limited  
4882 liability company, all members of the company who have the right  
4883 to vote upon the conversion must be given written notice of a  
4884 meeting with respect to the approval of a plan of conversion as  
4885 provided in subsection (1) not less than 10 days and not more  
4886 than 60 days before the date of the meeting at which the plan of  
4887 conversion is submitted for approval by the members of such  
4888 limited liability company. The notification required under this  
4889 subsection may be waived in writing by the person or persons  
4890 entitled to such notification.

4891 (5) The notification required under subsection (4) must be  
4892 in writing and include the following:

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4893 (a) The date, time, and place of the meeting at which the  
4894 plan of conversion is to be submitted for approval by the  
4895 members of the limited liability company.

4896 (b) A copy of the plan of conversion.

4897 (c) The statement or statements required under s. 605.1006  
4898 and ss. 605.1061-605.1072 regarding the availability of  
4899 appraisal rights, if any, to members of the limited liability  
4900 company.

4901 (d) The date on which such notification was mailed or  
4902 delivered to the members.

4903 (6) In addition to the requirements of subsection (5), the  
4904 notification required under subsection (4) may contain any other  
4905 information concerning the plan of conversion not prohibited by  
4906 applicable law.

4907 (7) The notification required under subsection (4) is  
4908 deemed to be given at the earliest date of:

4909 (a) The date the notification is received;

4910 (b) Five days after the date the notification is deposited  
4911 in the United States mail addressed to the member at the  
4912 member's address as it appears in the books and records of the  
4913 limited liability company, with prepaid postage affixed;

4914 (c) The date shown on the return receipt, if sent by  
4915 registered or certified mail, return receipt requested, and if  
4916 the receipt is signed by or on behalf of the addressee; or

4917 (d) The date the notification is given in accordance with  
4918 the organic rules of the limited liability company.

4919 605.1044 Amendment or abandonment of plan of conversion.-

4920 (1) A plan of conversion of a domestic converting limited



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4921 liability company may be amended:

4922 (a) In the same manner as the plan was approved, if the  
4923 plan does not provide for the manner in which it may be amended;  
4924 or

4925 (b) By the managers or members of the entity in the manner  
4926 provided in the plan, but a member who was entitled to vote on  
4927 or consent to approval of the conversion is entitled to vote on  
4928 or consent to an amendment of the plan which will change:

4929 1. The amount or kind of interests, securities,  
4930 obligations, money, other property, rights to acquire interests  
4931 or securities, or any combination of the foregoing, to be  
4932 received by the interest holders of the converting entity under  
4933 the plan;

4934 2. The public organic record, if any, or private organic  
4935 rules of the converted entity which will be in effect  
4936 immediately after the conversion becomes effective, except for  
4937 changes that do not require approval of the interest holders of  
4938 the converting entity under its organic law or organic rules; or

4939 3. Any other terms or conditions of the plan, if the  
4940 change would adversely affect the interest holder in any  
4941 material respect.

4942 (2) After a plan of conversion has been approved and  
4943 before the articles of conversion become effective, the plan may  
4944 be abandoned as provided in the plan. Unless prohibited by the  
4945 plan, a domestic converting limited liability company may  
4946 abandon the plan in the same manner as the plan was approved.

4947 (3) If a plan of conversion is abandoned after articles of  
4948 conversion have been delivered to the department for filing and

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4949 before such articles of conversion have become effective, a  
4950 statement of abandonment, signed by the converting entity, must  
4951 be delivered to the department for filing before the articles of  
4952 conversion become effective. The statement of abandonment takes  
4953 effect on filing, and the conversion is abandoned and does not  
4954 become effective. The statement of abandonment must contain the  
4955 following:

4956 (a) The name of the converting limited liability company.

4957 (b) The date on which the articles of conversion were  
4958 delivered to the department for filing.

4959 (c) A statement that the conversion has been abandoned in  
4960 accordance with this section.

4961 605.1045 Articles of conversion.-

4962 (1) After a plan of conversion is approved, articles of  
4963 conversion signed by the converting entity must be delivered to  
4964 the department for filing.

4965 (2) The articles of conversion must contain the following:

4966 (a) The name, jurisdiction of formation, and type of  
4967 entity of the converting entity.

4968 (b) The name, jurisdiction of formation, and type of  
4969 entity of the converted entity.

4970 (c) If the converting entity is a domestic limited  
4971 liability company, a statement that the plan of conversion has  
4972 been approved in accordance with ss. 605.1041-605.1046, or if  
4973 the converting entity is a foreign entity, a statement that the  
4974 conversion was approved by the foreign converting entity in  
4975 accordance with the law of its jurisdiction of formation and by  
4976 each member of the converting entity who as a result of the

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4977 conversion will have interest holder liability under s.

4978 605.1043(1)(b) and whose approval is required.

4979 (d) If the converted entity is a domestic filing entity,  
4980 the text of its public organic record, as an attachment.

4981 (e) If the converted entity is a domestic limited  
4982 liability partnership, the text of its statement of  
4983 qualification, as an attachment.

4984 (f) If the converted entity is a foreign entity that does  
4985 not have a certificate of authority to transact business in this  
4986 state, a mailing address to which the department may send any  
4987 process served on the department pursuant to s. 605.0117 and  
4988 chapter 48.

4989 (g) A statement that the converted entity has agreed to  
4990 pay to the members of any limited liability company with  
4991 appraisal rights the amount to which such members are entitled  
4992 under s. 605.1006 and ss. 605.1061-605.1072.

4993 (h) The effective date of the conversion, if the effective  
4994 date of the conversion is not the same as the date of filing of  
4995 the articles of conversion, subject to the limitations contained  
4996 in s. 605.0207.

4997 (2) In addition to the requirements of subsection (1),  
4998 articles of conversion may contain any other provision not  
4999 prohibited by law.

5000 (3) A conversion becomes effective when the articles of  
5001 conversion become effective, unless the articles of conversion  
5002 specify an effective time or a delayed effective date that  
5003 complies with s. 605.0207.

5004 (4) A copy of the articles of conversion, certified by the

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5005 department, may be filed in the official records of any county  
5006 in this state in which the converted entity holds an interest in  
5007 real property.

5008 605.1046 Effect of conversion.—

5009 (1) When a conversion in which the converted entity is a  
5010 domestic limited liability company becomes effective:

5011 (a) The converted entity is:

5012 1. Organized under and subject to this chapter; and

5013 2. The same entity, without interruption, as the  
5014 converting entity.

5015 (b) All property of the converting entity continues to be  
5016 vested in the converted entity without transfer, reversion, or  
5017 impairment;

5018 (c) All debts, obligations, and other liabilities of the  
5019 converting entity continue as debts, obligations, and other  
5020 liabilities of the converted entity;

5021 (d) Except as otherwise provided by law or the plan of  
5022 conversion, all the rights, privileges, immunities, powers, and  
5023 purposes of the converting entity remain in the converted  
5024 entity;

5025 (e) The name of the converted entity may be substituted  
5026 for the name of the converting entity in any pending action or  
5027 proceeding;

5028 (f) The provisions of the organic rules of the converted  
5029 entity which are to be in a record, if any, approved as part of  
5030 the plan of conversion are effective; and

5031 (g) The interests or rights to acquire interests in the  
5032 converting entity are converted, and the interest holders of the

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5033 converting entity are entitled only to the rights provided to  
5034 them under the plan of conversion and to any appraisal rights  
5035 they have under s. 605.1006 and ss. 605.1061-605.1072 and the  
5036 converting entity's organic law.

5037 (2) Except as otherwise provided in the private organic  
5038 rules of a domestic converting limited liability company, the  
5039 conversion does not give rise to any rights that a member,  
5040 manager, or third party would otherwise have upon a dissolution,  
5041 liquidation, or winding up of the converting entity.

5042 (3) When a conversion becomes effective, a person who did  
5043 not have interest holder liability with respect to the  
5044 converting entity and becomes subject to interest holder  
5045 liability with respect to a domestic entity as a result of the  
5046 conversion has interest holder liability only to the extent  
5047 provided by the organic law of the entity and only for those  
5048 debts, obligations, and other liabilities that arise after the  
5049 conversion becomes effective.

5050 (4) When a conversion becomes effective, the interest  
5051 holder liability of a person who ceases to hold an interest in a  
5052 domestic limited liability company with respect to which the  
5053 person had interest holder liability is as follows:

5054 (a) The conversion does not discharge interest holder  
5055 liability to the extent the interest holder liability arose  
5056 before the conversion became effective.

5057 (b) The person does not have interest holder liability for  
5058 any debt, obligation, or other liability that arises after the  
5059 conversion becomes effective.

5060 (c) The organic law of the jurisdiction of formation of

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5061 the converting limited liability company and the rights of  
5062 contribution provided under such law, or the organic rules of  
5063 the converting limited liability company, continue to apply to  
5064 the release, collection, or discharge of any interest holder  
5065 liability preserved under paragraph (a) as if the conversion had  
5066 not occurred.

5067 (5) When a conversion becomes effective, a foreign entity  
5068 that is the converted entity may be served with process in this  
5069 state for the collection and enforcement of its debts,  
5070 obligations, and liabilities as provided in s. 605.0117 and  
5071 chapter 48.

5072 (6) If the converting entity is a registered foreign  
5073 entity, the certificate of authority to conduct business in this  
5074 state of the converting entity is canceled when the conversion  
5075 becomes effective.

5076 (7) A conversion does not require the entity to wind up  
5077 its affairs and does not constitute or cause the dissolution of  
5078 the entity.

5079 605.1051 Domestication authorized.—By complying with ss.  
5080 605.1051-605.1056, a non-United States entity may become a  
5081 domestic limited liability company if the domestication is  
5082 authorized under the organic law of the non-United States  
5083 entity's jurisdiction of formation.

5084 605.1052 Plan of domestication.—

5085 (1) A non-United States entity may become a domestic  
5086 limited liability company by approving a plan of domestication.  
5087 The plan of domestication must be in a record and contain the  
5088 following:

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5089 (a) The name and jurisdiction of formation of the  
5090 domesticating entity.

5091 (b) If applicable, the manner and basis of converting the  
5092 interests and rights to acquire interests in the domesticating  
5093 entity into interests, securities, obligations, money, other  
5094 property, rights to acquire interests or securities, or any  
5095 combination of the foregoing.

5096 (c) The proposed public organic record of the  
5097 domesticating entity in this state.

5098 (d) The full text of the proposed private organic rules of  
5099 the domesticated entity that are to be in a record, if any.

5100 (e) Any other provision required by the law of the  
5101 jurisdiction of formation of the domesticating entity or the  
5102 organic rules of the domesticating entity.

5103 (2) In addition to the requirements of subsection (1), a  
5104 plan of domestication may contain any other provision not  
5105 prohibited by law.

5106 605.1053 Approval of domestication.—A plan of  
5107 domestication of a domesticating entity shall be approved:

5108 (1) In accordance with the organic law of the  
5109 domesticating entity's jurisdiction of formation; and

5110 (2) In a record, by each of the domesticating entity's  
5111 owners who will have interest holder liability for debts,  
5112 obligations, and other liabilities that arise after the  
5113 domestication becomes effective, unless:

5114 (a) The organic rules of the domesticating entity in a  
5115 record provide for the approval of a domestication in which some  
5116 or all of the persons who are its owners become subject to

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5117 interest holder liability by the vote or consent of fewer than  
5118 all of the persons who are its owners; and

5119 (b) The person who will be a member of the domesticated  
5120 limited liability company consented in a record to or voted for  
5121 that provision of the organic rules of the domesticating entity  
5122 or became an owner of the domesticating entity after the  
5123 adoption of that provision.

5124 605.1054 Amendment or abandonment of plan of  
5125 domestication.-

5126 (1) A plan of domestication of a domesticating entity may  
5127 be amended:

5128 (a) In the same manner as the plan was approved if the  
5129 plan does not provide for the manner in which it may be amended;  
5130 or

5131 (b) By the interest holders of the domesticating entity in  
5132 the manner provided in the plan, but an owner who was entitled  
5133 to vote on or consent to approval of the domestication is  
5134 entitled to vote on or consent to any amendment of the plan that  
5135 will change:

5136 1. If applicable, the amount or kind of interests,  
5137 securities, obligations, money, other property, rights to  
5138 acquire interests or securities, or any combination of the  
5139 foregoing, to be received by the interest holders of the  
5140 domesticating entity under the plan;

5141 2. The public organic record, if any, or private organic  
5142 rules of the domesticated limited liability company which will  
5143 be in effect immediately after the domestication becomes  
5144 effective except for changes that do not require approval of the



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5145 interest holders of the domesticating entity under its organic  
5146 law or organic rules; or

5147 3. Any other terms or conditions of the plan, if the  
5148 change would adversely affect the interest holder in any  
5149 material respect.

5150 (2) After a plan of domestication has been approved and  
5151 before the articles of domestication become effective, the plan  
5152 may be abandoned as provided in the plan. Unless prohibited by  
5153 the plan, the domesticating entity may abandon the plan in the  
5154 same manner as the plan was approved.

5155 (3) If a plan of domestication is abandoned after articles  
5156 of domestication have been delivered to the department for  
5157 filing and before such articles of domestication have become  
5158 effective, a statement of abandonment, signed by the  
5159 domesticating entity, must be delivered to the department for  
5160 filing before the articles of domestication become effective.  
5161 The statement of abandonment takes effect on filing, and the  
5162 domestication is abandoned and does not become effective. The  
5163 statement of abandonment must contain the following:

5164 (a) The name of the domesticating entity.

5165 (b) The date on which the articles of domestication were  
5166 delivered to the department for filing.

5167 (c) A statement that the domestication has been abandoned  
5168 in accordance with this section.

5169 605.1055 Articles of domestication.-

5170 (1) The articles of domestication must be filed with the  
5171 department. The articles of domestication must contain the  
5172 following:

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5173 (a) The date on which the domesticating entity was first  
5174 formed, incorporated, created, or otherwise came into being.

5175 (b) The name of the domesticating entity immediately  
5176 before the filing of the articles of domestication.

5177 (c) The articles of organization of the domesticated  
5178 limited liability company, as an attachment.

5179 (d) The effective date of the domestication as a limited  
5180 liability company, if the effective date of the domestication is  
5181 not the same as the date of filing of the articles of  
5182 domestication, subject to the limitations contained in s.  
5183 605.0207.

5184 (e) The jurisdiction that constituted the seat, siege  
5185 social, or principal place of business or central administration  
5186 of the domesticating entity, or any other equivalent thereto  
5187 under the law of the jurisdiction of formation, immediately  
5188 before the filing of the articles of domestication.

5189 (f) A statement that the domestication has been approved  
5190 in accordance with the laws of the jurisdiction of formation of  
5191 the domesticating entity.

5192 (2) In addition to the requirements of subsection (1),  
5193 articles of domestication may contain any other provision not  
5194 prohibited by law.

5195 (3) The articles of domestication which are filed with the  
5196 department must be accompanied by a certificate of status or  
5197 equivalent document, if any, from the domesticating entity's  
5198 jurisdiction of formation.

5199 (4) The articles of domestication and the articles of  
5200 organization of a domesticated limited liability company must

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5201 satisfy the requirements of the law of this state, and may be  
5202 executed by an authorized representative and registered agent in  
5203 accordance with this chapter.

5204 605.1056 Effect of domestication.—

5205 (1) When a domestication becomes effective:

5206 (a) The domesticated limited liability company is:

5207 1. Organized under and subject to the organic law of this  
5208 state; and

5209 2. The same entity, without interruption, as the  
5210 domesticating entity;

5211 (b) All property of the domesticating entity continues to  
5212 be vested in the domesticated limited liability company without  
5213 transfer, reversion, or impairment;

5214 (c) All debts, obligations, and other liabilities of the  
5215 domesticating entity continue as debts, obligations, and other  
5216 liabilities of the domesticated limited liability company;

5217 (d) Except as otherwise provided by law or the plan of  
5218 domestication, all the rights, privileges, immunities, powers,  
5219 and purposes of the domesticating entity remain in the  
5220 domesticated limited liability company;

5221 (e) The name of the domesticated limited liability company  
5222 may be substituted for the name of the domesticating entity in  
5223 any pending action or proceeding;

5224 (f) The articles of organization of the domesticated  
5225 limited liability company are effective;

5226 (g) The provisions of the private organic rules of the  
5227 domesticated limited liability company which are to be in a  
5228 record, if any, approved as part of the plan of domestication

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5229 are effective; and

5230 (h) The interests in the domesticating entity are  
5231 converted to the extent and as approved in connection with the  
5232 domestication, and the interest holders of the domesticating  
5233 entity are entitled only to the rights provided to them under  
5234 the plan of domestication.

5235 (2) Except as otherwise provided in the organic law or  
5236 organic rules of the domesticating entity, the domestication  
5237 does not give rise to any rights that an interest holder or  
5238 third party would otherwise have upon a dissolution,  
5239 liquidation, or winding up of the domesticating entity.

5240 (3) When a domestication becomes effective, a person who  
5241 did not have interest holder liability with respect to the  
5242 domesticating entity and becomes subject to interest holder  
5243 liability with respect to the domesticated limited liability  
5244 company as a result of the domestication has interest holder  
5245 liability only to the extent provided by the organic law of the  
5246 domesticating entity and only for those debts, obligations, and  
5247 other liabilities that arise after the domestication becomes  
5248 effective.

5249 (4) When a domestication becomes effective, the interest  
5250 holder liability of a person who ceases to hold an interest in a  
5251 domestic limited liability company with respect to which the  
5252 person had interest holder liability is as follows:

5253 (a) The domestication does not discharge any interest  
5254 holder liability under this chapter to the extent the interest  
5255 holder liability arose before the domestication became  
5256 effective;

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5257 (b) A person does not have interest holder liability under  
5258 this chapter for any debt, obligation, or other liability that  
5259 arises after the domestication becomes effective; and

5260 (c) The organic law of the jurisdiction of formation of  
5261 the domesticating entity and any rights of contribution provided  
5262 under such law, or the organic rules of the domesticating  
5263 entity, continue to apply to the release, collection, or  
5264 discharge of any interest holder liability preserved under  
5265 paragraph (a) as if the domestication had not occurred.

5266 (5) When a domestication becomes effective, a  
5267 domesticating entity that has become the domesticated limited  
5268 liability company may be served with process in this state for  
5269 the collection and enforcement of its debts, obligations, and  
5270 liabilities as provided in s. 605.0117 and chapter 48.

5271 (6) If the domesticating entity is qualified to transact  
5272 business in this state, the certificate of authority of the  
5273 domesticating entity is canceled when the domestication becomes  
5274 effective.

5275 (7) A domestication does not require the domesticating  
5276 entity to wind up its affairs and does not constitute or cause  
5277 the dissolution of the domesticating entity.

5278 605.1061 Appraisal rights; definitions.—The following  
5279 definitions apply to s. 605.1006 and to ss. 605.1061-605.1072:

5280 (1) "Accrued interest" means interest from the effective  
5281 date of the appraisal event to which the member objects until  
5282 the date of payment, at the rate of interest determined for  
5283 judgments in accordance with s. 55.03, determined as of the  
5284 effective date of the appraisal event.

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5285 (2) "Affiliate" means a person who directly or indirectly,  
5286 through one or more intermediaries, controls, is controlled by,  
5287 or is under common control with another person or is a senior  
5288 executive thereof. For purposes of s. 605.1006(4) (d), a person  
5289 is deemed to be an affiliate of its senior executives.

5290 (3) "Appraisal event" means an event described in s.  
5291 605.1006(1).

5292 (4) "Beneficial member" means a person who is the  
5293 beneficial owner of a membership interest held in a voting trust  
5294 or by a nominee on the beneficial owner's behalf.

5295 (5) "Fair value" means the value of the member's  
5296 membership interest determined:

5297 (a) Immediately before the effectuation of the appraisal  
5298 event to which the member objects;

5299 (b) Using customary and current valuation concepts and  
5300 techniques generally employed for similar businesses in the  
5301 context of the transaction requiring appraisal, excluding any  
5302 appreciation or depreciation in anticipation of the transaction  
5303 to which the member objects, unless exclusion would be  
5304 inequitable to the limited liability company and its remaining  
5305 members; and

5306 (c) Without discounting for lack of marketability or  
5307 minority status.

5308 (6) "Limited liability company" means the limited  
5309 liability company that issued the membership interest held by a  
5310 member demanding appraisal and, for matters covered in ss.  
5311 605.1061-605.1072, includes the converted entity in a conversion  
5312 or the surviving entity in a merger.

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5313 (7) "Member" means a record member or a beneficial member.

5314 (8) "Membership interest" means a member's transferable  
5315 interest and all other rights as a member of the limited  
5316 liability company that issued the membership interest, including  
5317 voting rights, management rights, or other rights under this  
5318 chapter or the organic rules of the limited liability company  
5319 except, if the appraisal rights of a member under s. 605.1006  
5320 pertain to only a certain class or series of a membership  
5321 interest, the term "membership interest" means only the  
5322 membership interest pertaining to such class or series.

5323 (9) "Record member" means each person who is identified as  
5324 a member in the current list of members maintained for purposes  
5325 of s. 605.1006 by the limited liability company, or to the  
5326 extent the limited liability company has failed to maintain a  
5327 current list, each person who is the rightful owner of a  
5328 membership interest in the limited liability company. A  
5329 transferee of a membership interest who has not been admitted as  
5330 a member is not a record member.

5331 (10) "Senior executive" means a manager in a manager-  
5332 managed limited liability company; a member in a member-managed  
5333 limited liability company; or the chief executive officer, chief  
5334 operating officer, chief financial officer, or president or any  
5335 other person in charge of a principal business unit or function  
5336 of a limited liability company, in charge of a manager in a  
5337 manager-managed limited liability company, or in charge of a  
5338 member in a member-managed limited liability company.

5339 605.1062 Assertion of rights by nominees and beneficial  
5340 owners.-

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5341 (1) A record member may assert appraisal rights as to less  
5342 than all the membership interests registered in the record  
5343 member's name which are owned by a beneficial member only if the  
5344 record member objects with respect to all membership interests  
5345 of the class or series owned by that beneficial member and  
5346 notifies the limited liability company in writing of the name  
5347 and address of each beneficial member on whose behalf appraisal  
5348 rights are being asserted. The rights of a record member who  
5349 asserts appraisal rights for only part of the membership  
5350 interests of the class or series held of record in the record  
5351 member's name under this subsection shall be determined as if  
5352 the membership interests to which the record member objects and  
5353 the record member's other membership interests were registered  
5354 in the names of different record members.

5355 (2) A beneficial member may assert appraisal rights as to  
5356 a membership interest held on behalf of the member only if such  
5357 beneficial member:

5358 (a) Submits to the limited liability company the record  
5359 member's written consent to the assertion of such rights by the  
5360 date provided in s. 605.1063(3) (b); and

5361 (b) Does so with respect to all membership interests of  
5362 the class or series that are beneficially owned by the  
5363 beneficial member.

5364 605.1063 Notice of appraisal rights.-

5365 (1) If a proposed appraisal event is to be submitted to a  
5366 vote at a members' meeting, the meeting notice must state that  
5367 the limited liability company has concluded that the members  
5368 are, are not, or may be entitled to assert appraisal rights



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5369 under this chapter.

5370 (2) If the limited liability company concludes that  
5371 appraisal rights are or may be available, a copy of s. 605.1006  
5372 and ss. 605.1061-605.1072 must accompany the meeting notice sent  
5373 to those record members who are or may be entitled to exercise  
5374 appraisal rights.

5375 (3) If the appraisal event is to be approved other than by  
5376 a members' meeting:

5377 (a) Written notice that appraisal rights are, are not, or  
5378 may be available must be sent to each member from whom a consent  
5379 is solicited at the time consent of such member is first  
5380 solicited, and if the limited liability company has concluded  
5381 that appraisal rights are or may be available, a copy of s.  
5382 605.1006 and ss. 605.1061-605.1072 must accompany such written  
5383 notice; or

5384 (b) Written notice that appraisal rights are, are not, or  
5385 may be available must be delivered, at least 10 days before the  
5386 appraisal event becomes effective, to all nonconsenting and  
5387 nonvoting members, and, if the limited liability company has  
5388 concluded that appraisal rights are or may be available, a copy  
5389 of s. 605.1006 and ss. 605.1061-605.1072 must accompany such  
5390 written notice.

5391 (4) If a particular appraisal event is proposed and the  
5392 limited liability company concludes that appraisal rights are or  
5393 may be available, the notice referred to in subsection (1),  
5394 paragraph (3) (a), or paragraph (3) (b) must be accompanied by:

5395 (a) Financial statements of the limited liability company  
5396 that issued the membership interests that may be or are subject

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5397 to appraisal rights, consisting of a balance sheet as of the end  
5398 of the fiscal year ending not more than 16 months before the  
5399 date of the notice, an income statement for that fiscal year,  
5400 and a cash flow statement for that fiscal year; however, if such  
5401 financial statements are not reasonably available, the limited  
5402 liability company shall provide reasonably equivalent financial  
5403 information; and

5404 (b) The latest available interim financial statements,  
5405 including year-to-date through the end of the interim period, of  
5406 such limited liability company, if any.

5407 (5) The right to receive the information described in  
5408 subsection (4) may be waived in writing by a member before or  
5409 after the appraisal event.

5410 605.1064 Notice of intent to demand payment.-

5411 (1) If a proposed appraisal event is submitted to a vote  
5412 at a members' meeting, a member who is entitled to and who  
5413 wishes to assert appraisal rights with respect to a class or  
5414 series of membership interests:

5415 (a) Must deliver, before the vote is taken, to any other  
5416 member of a member-managed limited liability company, to a  
5417 manager of a manager-managed limited liability company, or, if  
5418 the limited liability company has appointed officers, to an  
5419 officer written notice of such person's intent to demand payment  
5420 if the proposed appraisal event is effectuated; and

5421 (b) May not vote, or cause or permit to be voted, any  
5422 membership interests of the class or series in favor of the  
5423 appraisal event.

5424 (2) If a proposed appraisal event is to be approved by

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5425 less than unanimous written consent of the members, a member who  
5426 is entitled to and who wishes to assert appraisal rights with  
5427 respect to a class or series of membership interests must not  
5428 sign a consent in favor of the proposed appraisal event with  
5429 respect to that class or series of membership interests.

5430 (3) A person who may otherwise be entitled to appraisal  
5431 rights, but does not satisfy the requirements of subsection (1)  
5432 or subsection (2), is not entitled to payment under s. 605.1006  
5433 and ss. 605.1061-605.1072.

5434 605.1065 Appraisal notice and form.-

5435 (1) If the proposed appraisal event becomes effective, the  
5436 limited liability company must send a written appraisal notice  
5437 and form required by paragraph (2)(a) to all members who satisfy  
5438 the requirements of s. 605.1064(1) or (2).

5439 (2) The appraisal notice must be sent no earlier than the  
5440 date the appraisal event became effective and within 10 days  
5441 after such date and must:

5442 (a) Supply a form that specifies the date that the  
5443 appraisal event became effective and that provides for the  
5444 member to state:

5445 1. The member's name and address;

5446 2. The number, classes, and series of membership interests  
5447 as to which the member asserts appraisal rights;

5448 3. That the member did not vote for or execute a written  
5449 consent with respect to the transaction as to any classes or  
5450 series of membership interests as to which the member asserts  
5451 appraisal rights;

5452 4. Whether the member accepts the limited liability

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5453 company's offer as stated in subparagraph (2)(b)5.; and

5454 5. If the offer is not accepted, the member's estimated  
5455 fair value of the membership interests and a demand for payment  
5456 of the member's estimated value plus accrued interest.

5457 (b) State:

5458 1. Where the form described in paragraph (a) must be sent;

5459 2. A date by which the limited liability company must  
5460 receive the form, which date may not be less than 40 days or  
5461 more than 60 days after the date the appraisal notice and form  
5462 described in this section are sent, and that the member is  
5463 considered to have waived the right to demand appraisal with  
5464 respect to the membership interests unless the form is received  
5465 by the limited liability company by such specified date;

5466 3. In the case of membership interests represented by a  
5467 certificate, the location at which certificates for the  
5468 certificated membership interests must be deposited, if that  
5469 action is required by the limited liability company and the date  
5470 by which those certificates must be deposited, which may not be  
5471 earlier than the date for receiving the required form under  
5472 subparagraph 2.;

5473 4. The limited liability company's estimate of the fair  
5474 value of the membership interests;

5475 5. An offer to each member who is entitled to appraisal  
5476 rights to pay the limited liability company's estimate of fair  
5477 value provided in subparagraph 4.;

5478 6. That, if requested in writing, the limited liability  
5479 company will provide to the member so requesting, within 10 days  
5480 after the date specified in subparagraph 2., the number of

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5481 members who return the forms by the specified date and the total  
5482 number of membership interests owned by such members;

5483 7. The date by which the notice to withdraw under s.  
5484 605.1066 must be received, which date must be within 20 days  
5485 after the date specified in subparagraph 2.; and

5486 8. If not previously provided, accompanied by a copy of s.  
5487 605.1006 and ss. 605.1061-605.1072.

5488 605.1066 Perfection of rights; right to withdraw.-

5489 (1) A member who receives notice pursuant to s. 605.1065  
5490 and wishes to exercise appraisal rights must sign and return the  
5491 form received pursuant to s. 605.1065 (1) and, in the case of  
5492 certificated membership interests and if the limited liability  
5493 company so requires, deposit the member's certificates in  
5494 accordance with the terms of the notice by the date referred to  
5495 in the notice pursuant to s. 605.1065 (2) (b) 2. Once a member  
5496 deposits that member's certificates or, in the case of  
5497 uncertificated membership interests, returns the signed form  
5498 described in s. 605.1065 (2), the member loses all rights as a  
5499 member, unless the member withdraws pursuant to subsection (2).  
5500 Upon receiving a demand for payment from a member who holds an  
5501 uncertificated membership interest, the limited liability  
5502 company shall make an appropriate notation of the demand for  
5503 payment in its records and shall restrict the transfer of the  
5504 membership interest, or the applicable class or series, from the  
5505 date the member delivers the items required by this section.

5506 (2) A member who has complied with subsection (1) may  
5507 nevertheless decline to exercise appraisal rights and withdraw  
5508 from the appraisal process by so notifying the limited liability

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5509 company in writing by the date provided in the appraisal notice  
5510 pursuant to s. 605.1065(2)(b)7. A member who fails to notify the  
5511 limited liability company in writing of the withdrawal by the  
5512 date provided in the appraisal notice may not thereafter  
5513 withdraw without the limited liability company's written  
5514 consent.

5515 (3) A member who does not sign and return the form and, in  
5516 the case of certificated membership interests, deposit that  
5517 member's certificates, if so required by the limited liability  
5518 company, each by the date set forth in the notice described in  
5519 s. 605.1065(2)(a), is not entitled to payment under s. 605.1006  
5520 and ss. 605.1061-605.1072.

5521 (4) If the member's right to receive fair value is  
5522 terminated other than by the purchase of the membership interest  
5523 by the limited liability company, all rights of the member, with  
5524 respect to such membership interest, shall be reinstated  
5525 effective as of the date the member delivered the items required  
5526 by subsection (1), including the right to receive any  
5527 intervening payment or other distribution with respect to such  
5528 membership interest, or, if any such rights have expired or any  
5529 such distribution other than a cash payment has been completed,  
5530 in lieu thereof at the election of the limited liability  
5531 company, the fair value thereof in cash as determined by the  
5532 limited liability company as of the time of such expiration or  
5533 completion, but without prejudice otherwise to any action or  
5534 proceeding of the limited liability company that may have been  
5535 taken by the limited liability company on or after the date the  
5536 member delivered the items required by subsection (1).

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5537 605.1067 Member's acceptance of limited liability

5538 company's offer.

5539 (1) If the member states on the form provided in s.

5540 605.1065(1) that the member accepts the offer of the limited

5541 liability company to pay the limited liability company's

5542 estimated fair value for the membership interest, the limited

5543 liability company shall make the payment to the member within 90

5544 days after the limited liability company's receipt of the items

5545 required by s. 605.1066(1).

5546 (2) Upon payment of the agreed value, the member shall

5547 cease to have an interest in the membership interest.

5548 605.1068 Procedure if member is dissatisfied with offer.-

5549 (1) A member who is dissatisfied with the limited

5550 liability company's offer as provided pursuant to s.

5551 605.1065(2)(b)4. must notify the limited liability company on

5552 the form provided pursuant to s. 605.1065(1) of the member's

5553 estimate of the fair value of the membership interest and demand

5554 payment of that estimate plus accrued interest.

5555 (2) A member who fails to notify the limited liability

5556 company in writing of the member's demand to be paid the

5557 member's estimate of the fair value plus interest under

5558 subsection (1) within the timeframe provided in s.

5559 605.1065(2)(b)2. waives the right to demand payment under this

5560 section and is entitled only to the payment offered by the

5561 limited liability company pursuant to s. 605.1065(2)(b)4.

5562 605.1069 Court action.-

5563 (1) If a member makes demand for payment under s. 605.1068

5564 which remains unsettled, the limited liability company shall

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5565 commence a proceeding within 60 days after receiving the payment  
5566 demand and petition the court to determine the fair value of the  
5567 membership interest plus accrued interest from the date of the  
5568 appraisal event. If the limited liability company does not  
5569 commence the proceeding within the 60-day period, any member who  
5570 has made a demand pursuant to s. 605.1068 may commence the  
5571 proceeding in the name of the limited liability company.

5572 (2) The proceeding must be commenced in the appropriate  
5573 court of the county in which the limited liability company's  
5574 principal office in this state is located or, if none, the  
5575 county in which its registered agent is located. If by virtue of  
5576 the appraisal event becoming effective the entity has become a  
5577 foreign entity without a registered agent in this state, the  
5578 proceeding must be commenced in the county in this state in  
5579 which the principal office or registered agent of the limited  
5580 liability company was located immediately before the time the  
5581 appraisal event became effective; if it has, and immediately  
5582 before the appraisal event became effective had no principal  
5583 office in this state, then in the county in which the limited  
5584 liability company has, or immediately before the time the  
5585 appraisal event became effective had, an office in this state;  
5586 or if none in this state, then in the county in which the  
5587 limited liability company's registered office is or was last  
5588 located.

5589 (3) All members, whether or not residents of this state,  
5590 whose demands remain unsettled shall be made parties to the  
5591 proceeding as in an action against their membership interests.  
5592 The limited liability company shall serve a copy of the initial



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5593 pleading in such proceeding upon each member-party who is a  
5594 resident of this state in the manner provided by law for the  
5595 service of a summons and complaint and upon each nonresident  
5596 member-party by registered or certified mail or by publication  
5597 as provided by law.

5598 (4) The jurisdiction of the court in which the proceeding  
5599 is commenced under subsection (2) is plenary and exclusive. If  
5600 it so elects, the court may appoint one or more persons as  
5601 appraisers to receive evidence and recommend a decision on the  
5602 question of fair value. The appraisers shall have the powers  
5603 described in the order appointing them or in an amendment to the  
5604 order. The members demanding appraisal rights are entitled to  
5605 the same discovery rights as parties in other civil proceedings.  
5606 There is no right to a jury trial.

5607 (5) Each member who is made a party to the proceeding is  
5608 entitled to judgment for the amount of the fair value of such  
5609 member's membership interests, plus interest, as found by the  
5610 court.

5611 (6) The limited liability company shall pay each such  
5612 member the amount found to be due within 10 days after final  
5613 determination of the proceedings. Upon payment of the judgment,  
5614 the member ceases to have any interest in the membership  
5615 interests.

5616 605.1070 Court costs and attorney fees.—

5617 (1) The court in an appraisal proceeding shall determine  
5618 all costs of the proceeding, including the reasonable  
5619 compensation and expenses of appraisers appointed by the court.  
5620 The court shall assess the costs against the limited liability

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5621 company, except that the court may assess costs against all or  
5622 some of the members demanding appraisal, in amounts the court  
5623 finds equitable, to the extent the court finds the members acted  
5624 arbitrarily, vexatiously, or not in good faith with respect to  
5625 the rights provided by this chapter.

5626 (2) The court in an appraisal proceeding may also assess  
5627 the expenses incurred by the respective parties, in amounts the  
5628 court finds equitable:

5629 (a) Against the limited liability company and in favor of  
5630 any or all members demanding appraisal, if the court finds the  
5631 limited liability company did not substantially comply with the  
5632 requirements of ss. 605.1061-605.1072; or

5633 (b) Against either the limited liability company or a  
5634 member demanding appraisal, in favor of another party, if the  
5635 court finds that the party against whom the expenses are  
5636 assessed acted arbitrarily, vexatiously, or not in good faith  
5637 with respect to the rights provided by this chapter.

5638 (3) If the court in an appraisal proceeding finds that the  
5639 expenses incurred by any member were of substantial benefit to  
5640 other members similarly situated and should not be assessed  
5641 against the limited liability company, the court may direct that  
5642 the expenses be paid out of the amounts awarded the members who  
5643 were benefited.

5644 (4) To the extent the limited liability company fails to  
5645 make a required payment pursuant to s. 605.1067 or s. 605.1069,  
5646 the member may sue the limited liability company directly for  
5647 the amount owed and, to the extent successful, is entitled to  
5648 recover from the limited liability company all costs and

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5649 expenses of the suit, including attorney fees.

5650 605.1071 Limitation on limited liability company payment.-

5651 (1) Payment may not be made to a member seeking appraisal  
5652 rights if, at the time of payment, the limited liability company  
5653 is unable to meet the distribution standards of s. 605.0405. In  
5654 such event, the member shall, at the member's option:

5655 (a) Withdraw the notice of intent to assert appraisal  
5656 rights, which is deemed withdrawn with the consent of the  
5657 limited liability company; or

5658 (b) Retain the status as a claimant against the limited  
5659 liability company and, if the limited liability company is  
5660 liquidated, be subordinated to the rights of creditors of the  
5661 limited liability company, but have rights superior to the  
5662 members not asserting appraisal rights and, if the limited  
5663 liability company is not liquidated, retain the right to be paid  
5664 for the membership interest, which right the limited liability  
5665 company shall be obligated to satisfy when the restrictions of  
5666 this section do not apply.

5667 (2) The member shall exercise the option under  
5668 subparagraph (1)(a) or subparagraph (1)(b) by written notice  
5669 filed with the limited liability company within 30 days after  
5670 the limited liability company has given written notice that the  
5671 payment for the membership interests cannot be made because of  
5672 the restrictions of this section. If the member fails to  
5673 exercise the option, the member is deemed to have withdrawn the  
5674 notice of intent to assert appraisal rights.

5675 605.1072 Other remedies limited.-

5676 (1) The legality of a proposed or completed appraisal

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5677 event may not be contested, and the appraisal event may not be  
5678 enjoined, set aside, or rescinded, in a legal or equitable  
5679 proceeding by a member after the members have approved the  
5680 appraisal event.

5681 (2) Subsection (1) does not apply to an appraisal event  
5682 that:

5683 (a) Was not authorized and approved in accordance with the  
5684 applicable provisions of this chapter, the organic rules of the  
5685 limited liability company, or the resolutions of the members  
5686 authorizing the appraisal event;

5687 (b) Was procured as a result of fraud, a material  
5688 misrepresentation, or an omission of a material fact that is  
5689 necessary to make statements made, in light of the circumstances  
5690 in which they were made, not misleading; or

5691 (c) Is an interested transaction, unless it has been  
5692 approved in the same manner as is provided in s. 605.04092 or is  
5693 fair to the limited liability company as defined in s.  
5694 605.04092(1)(c).

5695 605.1101 Uniformity of application and construction.—In  
5696 applying and construing this chapter, consideration must be  
5697 given to the need to promote uniformity of the law with respect  
5698 to the uniform act upon which it is based.

5699 605.1102 Relation to Electronic Signatures in Global and  
5700 National Commerce Act.—This chapter modifies, limits, and  
5701 supersedes the Electronic Signatures in Global and National  
5702 Commerce Act, 15 U.S.C. s. 7001 et seq., but does not modify,  
5703 limit, or supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c),  
5704 or authorize electronic delivery of the notices described in s.

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5705 103(b) of that act, 15 U.S.C. s. 7003(b). Notwithstanding the  
5706 foregoing, this chapter does not operate to modify, limit, or  
5707 supersede any provisions of s. 15.16, s. 116.34, or s. 668.50.  
5708 605.1103 Tax exemption on income of certain limited  
5709 liability companies.-

5710 (1) A limited liability company classified as a  
5711 partnership for federal income tax purposes, or a single-member  
5712 limited liability company that is disregarded as an entity  
5713 separate from its owner for federal income tax purposes, and  
5714 organized pursuant to this chapter or qualified to do business  
5715 in this state as a foreign limited liability company is not an  
5716 "artificial entity" within the purview of s. 220.02 and is not  
5717 subject to the tax imposed under chapter 220. If a single-member  
5718 limited liability company is disregarded as an entity separate  
5719 from its owner for federal income tax purposes, its activities  
5720 are, for purposes of taxation under chapter 220, treated in the  
5721 same manner as a sole proprietorship, branch, or division of the  
5722 owner.

5723 (2) For purposes of taxation under chapter 220, a limited  
5724 liability company formed in this state or a foreign limited  
5725 liability company with a certificate of authority to transact  
5726 business in this state shall be classified as a partnership or a  
5727 limited liability company that has only one member shall be  
5728 disregarded as an entity separate from its owner for federal  
5729 income tax purposes, unless classified otherwise for federal  
5730 income tax purposes, in which case the limited liability company  
5731 shall be classified identically to its classification for  
5732 federal income tax purposes. For purposes of taxation under

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5733 chapter 220, a member or a transferee of a member of a limited  
5734 liability company formed in this state or a foreign limited  
5735 liability company with a certificate of authority to transact  
5736 business in this state shall be treated as a resident or  
5737 nonresident partner unless classified otherwise for federal  
5738 income tax purposes, in which case the member or transferee of a  
5739 member has the same status as the member or transferee of a  
5740 member has for federal income tax purposes.

5741 (3) Single-member limited liability companies and other  
5742 entities that are disregarded for federal income tax purposes  
5743 must be treated as separate legal entities for all non-income  
5744 tax purposes. The Department of Revenue shall adopt rules to  
5745 take into account that single-member disregarded entities such  
5746 as limited liability companies and qualified subchapter S  
5747 corporations may be disregarded as separate entities for federal  
5748 tax purposes and therefore may report and account for income,  
5749 employment, and other taxes under the taxpayer identification  
5750 number of the owner of the single-member entity.

5751 605.1104 Interrogatories by department; other powers of  
5752 department.-

5753 (1) The department may direct to any limited liability  
5754 company or foreign limited liability company subject to this  
5755 chapter, and to a member or manager of any limited liability  
5756 company or foreign limited liability company subject to this  
5757 chapter, interrogatories reasonably necessary and proper to  
5758 enable the department to ascertain whether the limited liability  
5759 company or foreign limited liability company has complied with  
5760 the provisions of this chapter applicable to the limited

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5761 liability company or foreign limited liability company. The  
5762 interrogatories must be answered within 30 days after the date  
5763 of mailing, or within such additional time as fixed by the  
5764 department. The answers to the interrogatories must be full and  
5765 complete and must be made in writing and under oath. If the  
5766 interrogatories are directed to an individual, they must be  
5767 answered by the individual, and if directed to a limited  
5768 liability company or foreign limited liability company, they  
5769 must be answered by a manager of a manager-managed company, a  
5770 member of a member-managed company, or other applicable governor  
5771 if a foreign limited liability company is not member-managed or  
5772 manager managed, or a fiduciary if the company is in the hands  
5773 of a receiver, trustee, or other court-appointed fiduciary.

5774 (2) The department need not file a record in a court of  
5775 competent jurisdiction to which the interrogatories relate until  
5776 the interrogatories are answered as provided in this chapter,  
5777 and is not required to file a record if the answers disclose  
5778 that the record is not in conformity with the requirements of  
5779 this chapter or if the department has determined that the  
5780 parties to such document have not paid all fees, taxes, and  
5781 penalties due and owing this state. The department shall certify  
5782 to the Department of Legal Affairs, for such action as the  
5783 Department of Legal Affairs may deem appropriate, all  
5784 interrogatories and answers that disclose a violation of this  
5785 chapter.

5786 (3) The department may, based upon its findings under this  
5787 section or as provided in s. 213.053(15), bring an action in  
5788 circuit court to collect any penalties, fees, or taxes

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5789 determined to be due and owing the state and to compel any  
5790 filing, qualification, or registration required by law. In  
5791 connection with such proceeding, the department may, without  
5792 prior approval by the court, file a lis pendens against any  
5793 property owned by the limited liability company and may further  
5794 certify any findings to the Department of Legal Affairs for the  
5795 initiation of an action permitted pursuant to this chapter which  
5796 the Department of Legal Affairs may deem appropriate.

5797 (4) The department has the power and authority reasonably  
5798 necessary to administer this chapter efficiently, to perform the  
5799 duties herein imposed upon it, and to adopt reasonable rules  
5800 necessary to carry out its duties and functions under this  
5801 chapter.

5802 605.1105 Reservation of power to amend or repeal.—The  
5803 Legislature has the power to amend or repeal all or part of this  
5804 chapter at any time, and all domestic and foreign limited  
5805 liability companies subject to this chapter shall be governed by  
5806 the amendment or repeal.

5807 605.1106 Savings clause.—

5808 (1) Except as provided in subsection (2), the repeal of a  
5809 statute by this chapter does not affect:

5810 (a) The operation of the statute or an action taken under  
5811 it before its repeal, including, without limiting the generality  
5812 of the foregoing, the continuing validity of any provision of  
5813 the articles of organization, regulations, or operating  
5814 agreements of a limited liability company authorized under the  
5815 statute at the time of its adoption;

5816 (b) Any ratification, right, remedy, privilege,



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5817 obligation, or liability acquired, accrued, or incurred under  
5818 the statute before its repeal;

5819 (c) Any violation of the statute or any penalty,  
5820 forfeiture, or punishment incurred because of the violation,  
5821 before its repeal; or

5822 (d) Any proceeding, merger, sale of assets,  
5823 reorganization, or dissolution commenced under the statute  
5824 before its repeal, and the proceeding, merger, sale of assets,  
5825 reorganization, or dissolution may be completed in accordance  
5826 with the statute as if it had not been repealed.

5827 (2) If a penalty or punishment imposed for violation of a  
5828 statute is reduced by this chapter, the penalty or punishment,  
5829 if not already imposed, shall be imposed in accordance with this  
5830 chapter.

5831 (3) This chapter does not affect an action commenced,  
5832 proceeding brought, or right accrued before this chapter takes  
5833 effect.

5834 605.1107 Severability clause.—If any provision of this  
5835 chapter or its application to any person or circumstance is held  
5836 invalid, the invalidity does not affect other provisions or  
5837 applications of this chapter which can be given effect without  
5838 the invalid provision or application, and to this end the  
5839 provisions of this chapter are severable.

5840 605.1108 Application to limited liability company formed  
5841 under the Florida Limited Liability Company Act.—

5842 (1) Subject to subsection (4), before January 1, 2015,  
5843 this chapter governs only:

5844 (a) A limited liability company formed on or after January

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5845 1, 2014; and

5846 (b) A limited liability company formed before January 1,  
5847 2014, which elects, in the manner provided in its operating  
5848 agreement or by law for amending the operating agreement, to be  
5849 subject to this chapter.

5850 (2) On or after January 1, 2015, this chapter governs all  
5851 limited liability companies.

5852 (3) For the purpose of applying this chapter to a limited  
5853 liability company formed before January 1, 2014, under the  
5854 Florida Limited Liability Company Act, ss. 608.401-608.705:

5855 (a) The company's articles of organization are deemed to  
5856 be the company's articles of organization under this chapter;  
5857 and

5858 (b) For the purpose of applying s. 605.0102(39), the  
5859 language in the company's articles of organization designating  
5860 the company's management structure operates as if that language  
5861 were in the operating agreement.

5862 (4) Notwithstanding the provisions of subsections (1) and  
5863 (2), effective January 1, 2014, all documents, instruments, and  
5864 other records submitted to the department must comply with the  
5865 filing requirements stipulated by this chapter.

5866 Section 3. Section 48.062, Florida Statutes, is created to  
5867 read:

5868 48.062 Service on a limited liability company.-

5869 (1) Process against a limited liability company, domestic  
5870 or foreign, may be served on the registered agent designated by  
5871 the limited liability company under chapter 605 or chapter 608.  
5872 A person attempting to serve process pursuant to this subsection

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5873 may serve the process on any employee of the registered agent  
5874 during the first attempt at service even if the registered agent  
5875 is a natural person and is temporarily absent from his or her  
5876 office.

5877 (2) If service cannot be made on a registered agent of the  
5878 limited liability company because of failure to comply with  
5879 chapter 605 or chapter 608 or because the limited liability  
5880 company does not have a registered agent, or if its registered  
5881 agent cannot with reasonable diligence be served, process  
5882 against the limited liability company, domestic or foreign, may  
5883 be served:

5884 (a) On a member of a member-managed limited liability  
5885 company;

5886 (b) On a manager of a manager-managed limited liability  
5887 company; or

5888 (c) If a member or manager is not available during regular  
5889 business hours to accept service on behalf of the limited  
5890 liability company, he, she, or it may designate an employee of  
5891 the limited liability company to accept such service. After one  
5892 attempt to serve a member, manager, or designated employee has  
5893 been made, process may be served on the person in charge of the  
5894 limited liability company during regular business hours.

5895 (3) If, after reasonable diligence, service of process  
5896 cannot be completed under subsection (1) or (2), service of  
5897 process may be effected by service upon the Secretary of State  
5898 as agent of the limited liability company as provided for in s.  
5899 48.181.

5900 (4) If the address provided for the registered agent,

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5901 member or manager is a residence or private mailbox, service on  
5902 the limited liability company, domestic or foreign, may be made  
5903 by serving the registered agent, member or manager in accordance  
5904 with s. 48.031.

5905 (5) This section does not apply to service of process on  
5906 insurance companies.

5907 Section 4. Effective July 1, 2014, and contingent upon the  
5908 amendment of s. 608.452, Florida Statutes, by the enactment of  
5909 Senate Bill 1490 or other similar legislation, the fees provided  
5910 under s. 605.0213, Florida Statutes, as created under this act,  
5911 are amended to reflect the fee changes to s. 608.452, Florida  
5912 Statutes, by Senate Bill 1490 or other similar legislation.

5913 Section 5. Effective January 1, 2015, the Florida Limited  
5914 Liability Company Act, consisting of ss. 608.401-608.705,  
5915 Florida Statutes, is repealed.

5916 Section 6. Subsection (3) of section 607.1109, Florida  
5917 Statutes, is amended to read:

5918 607.1109 Articles of merger.—

5919 (3) A domestic corporation is not required to file  
5920 articles of merger pursuant to subsection (1) if the domestic  
5921 corporation is named as a party or constituent organization in  
5922 articles of merger or a certificate of merger filed for the same  
5923 merger in accordance with s. 605.1025, s. 608.4382(1), s.  
5924 617.1108, s. 620.2108(3), or s. 620.8918(1) and (2), and if the  
5925 articles of merger or certificate of merger substantially  
5926 complies with the requirements of this section. In such a case,  
5927 the other articles of merger or certificate of merger may also  
5928 be used for purposes of subsection (2).

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5929 Section 7. Effective January 1, 2015, subsection (3) of  
5930 section 607.1109, Florida Statutes, is amended to read:

5931 607.1109 Articles of merger.—

5932 (3) A domestic corporation is not required to file  
5933 articles of merger pursuant to subsection (1) if the domestic  
5934 corporation is named as a party or constituent organization in  
5935 articles of merger or a certificate of merger filed for the same  
5936 merger in accordance with s. 605.1025, ~~s. 608.4382(1)~~, s.  
5937 617.1108, s. 620.2108(3), or s. 620.8918(1) and (2), and if the  
5938 articles of merger or certificate of merger substantially  
5939 complies with the requirements of this section. In such a case,  
5940 the other articles of merger or certificate of merger may also  
5941 be used for purposes of subsection (2).

5942 Section 8. Subsection (3) of section 607.1113, Florida  
5943 Statutes, is amended to read:

5944 607.1113 Certificate of conversion.—

5945 (3) A converting domestic corporation is not required to  
5946 file a certificate of conversion pursuant to subsection (1) if  
5947 the converting domestic corporation files articles of conversion  
5948 or a certificate of conversion that substantially complies with  
5949 the requirements of this section pursuant to s. 605.1045, s.  
5950 608.439, s. 620.2104(1)(b), or s. 620.8914(1)(b) and contains  
5951 the signatures required by this chapter. In such a case, the  
5952 other certificate of conversion may also be used for purposes of  
5953 subsection (2).

5954 Section 9. Effective January 1, 2015, subsection (3) of  
5955 section 607.1113, Florida Statutes, is amended to read:

5956 607.1113 Certificate of conversion.—

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5957 (3) A converting domestic corporation is not required to  
5958 file a certificate of conversion pursuant to subsection (1) if  
5959 the converting domestic corporation files articles of conversion  
5960 or a certificate of conversion that substantially complies with  
5961 the requirements of this section pursuant to s. 605.1045, ~~s.~~  
5962 ~~608.439~~, s. 620.2104(1)(b), or s. 620.8914(1)(b) and contains  
5963 the signatures required by this chapter. In such a case, the  
5964 other certificate of conversion may also be used for purposes of  
5965 subsection (2).

5966 Section 10. Subsections (1) and (2) of section 607.193,  
5967 Florida Statutes, are amended to read:

5968 607.193 Supplemental corporate fee.—

5969 (1) In addition to any other taxes imposed by law, an  
5970 annual supplemental corporate fee of \$88.75 is imposed on each  
5971 business entity that is authorized to transact business in this  
5972 state and is required to file an annual report with the  
5973 Department of State under s. 605.0212, s. 607.1622, s. 608.4511,  
5974 or s. 620.1210.

5975 (2)(a) The business entity shall remit the supplemental  
5976 corporate fee to the Department of State at the time it files  
5977 the annual report required by s. 605.0212, s. 607.1622, s.  
5978 608.4511, or s. 620.1210.

5979 (b) In addition to the fees levied under ss. 607.0122~~7~~  
5980 ~~608.452~~, and 620.1109, s. 605.0213 or s. 608.452, and the  
5981 supplemental corporate fee, a late charge of \$400 shall be  
5982 imposed if the supplemental corporate fee is remitted after May  
5983 1 except in circumstances in which a business entity was  
5984 administratively dissolved or its certificate of authority was

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5985 | revoked due to its failure to file an annual report and the  
5986 | entity subsequently applied for reinstatement and paid the  
5987 | applicable reinstatement fee.

5988 |       Section 11. Effective January 1, 2015, subsections (1) and  
5989 | (2) of section 607.193, Florida Statutes, are amended to read:

5990 |       607.193 Supplemental corporate fee.—

5991 |       (1) In addition to any other taxes imposed by law, an  
5992 | annual supplemental corporate fee of \$88.75 is imposed on each  
5993 | business entity that is authorized to transact business in this  
5994 | state and is required to file an annual report with the  
5995 | Department of State under s. 605.0212, s. 607.1622, ~~s. 608.4511,~~  
5996 | or s. 620.1210.

5997 |       (2) (a) The business entity shall remit the supplemental  
5998 | corporate fee to the Department of State at the time it files  
5999 | the annual report required by s. 605.0212, s. 607.1622, ~~s.~~  
6000 | ~~608.4511,~~ or s. 620.1210.

6001 |       (b) In addition to the fees levied under ss. 605.0213,  
6002 | 607.0122, and 620.1109, ~~s. 605.0213 or s. 608.452,~~ and the  
6003 | supplemental corporate fee, a late charge of \$400 shall be  
6004 | imposed if the supplemental corporate fee is remitted after May  
6005 | 1 except in circumstances in which a business entity was  
6006 | administratively dissolved or its certificate of authority was  
6007 | revoked due to its failure to file an annual report and the  
6008 | entity subsequently applied for reinstatement and paid the  
6009 | applicable reinstatement fee.

6010 |       Section 12. Subsection (2) of section 617.1108, Florida  
6011 | Statutes, is amended to read:

6012 |       617.1108 Merger of domestic corporation and other business

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6013 entities.—

6014 (2) A domestic corporation not for profit organized under  
6015 this chapter is not required to file articles of merger pursuant  
6016 to this section if the corporation not for profit is named as a  
6017 party or constituent organization in articles of merger or a  
6018 certificate of merger filed for the same merger in accordance  
6019 with s. 605.1025, s. 607.1109, s. 608.4382(1), s. 620.2108(3),  
6020 or s. 620.8918(1) and (2). In such a case, the other articles of  
6021 merger or certificate of merger may also be used for purposes of  
6022 subsection (3).

6023 Section 13. Effective January 1, 2015, subsection (2) of  
6024 section 617.1108, Florida Statutes, is amended to read:

6025 617.1108 Merger of domestic corporation and other business  
6026 entities.—

6027 (2) A domestic corporation not for profit organized under  
6028 this chapter is not required to file articles of merger pursuant  
6029 to this section if the corporation not for profit is named as a  
6030 party or constituent organization in articles of merger or a  
6031 certificate of merger filed for the same merger in accordance  
6032 with s. 605.1025, s. 607.1109, ~~s. 608.4382(1)~~, s. 620.2108(3),  
6033 or s. 620.8918(1) and (2). In such a case, the other articles of  
6034 merger or certificate of merger may also be used for purposes of  
6035 subsection (3).

6036 Section 14. Paragraph (c) of subsection (1) of section  
6037 620.2104, Florida Statutes, is amended to read:

6038 620.2104 Filings required for conversion; effective date.—

6039 (1) After a plan of conversion is approved:

6040 (c) A converting limited partnership is not required to



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6041 file a certificate of conversion pursuant to paragraph (a) if  
6042 the converting limited partnership files articles of conversion  
6043 or a certificate of conversion that substantially complies with  
6044 the requirements of this section pursuant to s. 605.1045, s.  
6045 607.1115, s. 608.439, or s. 620.8914(1)(b) and contains the  
6046 signatures required by this chapter. In such a case, the other  
6047 certificate of conversion may also be used for purposes of s.  
6048 620.2105(4).

6049 Section 15. Effective January 1, 2015, paragraph (c) of  
6050 subsection (1) of section 620.2104, Florida Statutes, is amended  
6051 to read:

6052 620.2104 Filings required for conversion; effective date.—

6053 (1) After a plan of conversion is approved:

6054 (c) A converting limited partnership is not required to  
6055 file a certificate of conversion pursuant to paragraph (a) if  
6056 the converting limited partnership files articles of conversion  
6057 or a certificate of conversion that substantially complies with  
6058 the requirements of this section pursuant to s. 605.1045, s.  
6059 607.1115, ~~s. 608.439~~, or s. 620.8914(1)(b) and contains the  
6060 signatures required by this chapter. In such a case, the other  
6061 certificate of conversion may also be used for purposes of s.  
6062 620.2105(4).

6063 Section 16. Subsection (3) of section 620.2108, Florida  
6064 Statutes, is amended to read:

6065 620.2108 Filings required for merger; effective date.—

6066 (3) Each constituent limited partnership shall deliver the  
6067 certificate of merger for filing in the Department of State  
6068 unless the constituent limited partnership is named as a party

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6069 or constituent organization in articles of merger or a  
6070 certificate of merger filed for the same merger in accordance  
6071 with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,  
6072 or s. 620.8918(1) and (2) and such articles of merger or  
6073 certificate of merger substantially complies with the  
6074 requirements of this section. In such a case, the other articles  
6075 of merger or certificate of merger may also be used for purposes  
6076 of s. 620.2109(3).

6077 Section 17. Effective January 1, 2015, subsection (3) of  
6078 section 620.2108, Florida Statutes, is amended to read:

6079 620.2108 Filings required for merger; effective date.—

6080 (3) Each constituent limited partnership shall deliver the  
6081 certificate of merger for filing in the Department of State  
6082 unless the constituent limited partnership is named as a party  
6083 or constituent organization in articles of merger or a  
6084 certificate of merger filed for the same merger in accordance  
6085 with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,  
6086 or s. 620.8918(1) and (2) and such articles of merger or  
6087 certificate of merger substantially complies with the  
6088 requirements of this section. In such a case, the other articles  
6089 of merger or certificate of merger may also be used for purposes  
6090 of s. 620.2109(3).

6091 Section 18. Subsection (1) of section 620.8914, Florida  
6092 Statutes, is amended to read:

6093 620.8914 Filings required for conversion; effective date.—

6094 (1) After a plan of conversion is approved:

6095 (a) A converting partnership shall deliver to the  
6096 Department of State for filing a registration statement in

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6097 accordance with s. 620.8105, if such statement was not  
6098 previously filed, and a certificate of conversion, in accordance  
6099 with s. 620.8105, which must include:

6100 1. A statement that the partnership has been converted  
6101 into another organization.

6102 2. The name and form of the organization and the  
6103 jurisdiction of its governing law.

6104 3. The date the conversion is effective under the  
6105 governing law of the converted organization.

6106 4. A statement that the conversion was approved as  
6107 required by this act.

6108 5. A statement that the conversion was approved as  
6109 required by the governing law of the converted organization.

6110 6. If the converted organization is a foreign organization  
6111 not authorized to transact business in this state, the street  
6112 and mailing address of an office which the Department of State  
6113 may use for the purposes of s. 620.8915(3).

6114 (b) In the case of a converting organization converting  
6115 into a partnership to be governed by this act, the converting  
6116 organization shall deliver to the Department of State for  
6117 filing:

6118 1. A registration statement in accordance with s.  
6119 620.8105.

6120 2. A certificate of conversion, in accordance with s.  
6121 620.8105, signed by a general partner of the partnership in  
6122 accordance with s. 620.8105(6) and by the converting  
6123 organization as required by applicable law, which certificate of  
6124 conversion must include:

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- 6125 a. A statement that the partnership was converted from  
6126 another organization.
- 6127 b. The name and form of the converting organization and  
6128 the jurisdiction of its governing law.
- 6129 c. A statement that the conversion was approved as  
6130 required by this act.
- 6131 d. A statement that the conversion was approved in a  
6132 manner that complied with the converting organization's  
6133 governing law.
- 6134 e. The effective time of the conversion, if other than the  
6135 time of the filing of the certificate of conversion.

6136

6137 A converting domestic partnership is not required to file a  
6138 certificate of conversion pursuant to paragraph (a) if the  
6139 converting domestic partnership files articles of conversion or  
6140 a certificate of conversion that substantially complies with the  
6141 requirements of this section pursuant to s. 605.1045, s.  
6142 607.1115, s. 608.439, or s. 620.2104(1)(b) and contains the  
6143 signatures required by this chapter. In such a case, the other  
6144 certificate of conversion may also be used for purposes of s.  
6145 620.8915(4).

6146 Section 19. Effective January 1, 2015, subsection (1) of  
6147 section 620.8914, Florida Statutes, is amended to read:

6148 620.8914 Filings required for conversion; effective date.—

6149 (1) After a plan of conversion is approved:

6150 (a) A converting partnership shall deliver to the  
6151 Department of State for filing a registration statement in  
6152 accordance with s. 620.8105, if such statement was not

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6153 | previously filed, and a certificate of conversion, in accordance  
6154 | with s. 620.8105, which must include:

6155 |       1. A statement that the partnership has been converted  
6156 | into another organization.

6157 |       2. The name and form of the organization and the  
6158 | jurisdiction of its governing law.

6159 |       3. The date the conversion is effective under the  
6160 | governing law of the converted organization.

6161 |       4. A statement that the conversion was approved as  
6162 | required by this act.

6163 |       5. A statement that the conversion was approved as  
6164 | required by the governing law of the converted organization.

6165 |       6. If the converted organization is a foreign organization  
6166 | not authorized to transact business in this state, the street  
6167 | and mailing address of an office which the Department of State  
6168 | may use for the purposes of s. 620.8915(3).

6169 |       (b) In the case of a converting organization converting  
6170 | into a partnership to be governed by this act, the converting  
6171 | organization shall deliver to the Department of State for  
6172 | filing:

6173 |           1. A registration statement in accordance with s.  
6174 | 620.8105.

6175 |           2. A certificate of conversion, in accordance with s.  
6176 | 620.8105, signed by a general partner of the partnership in  
6177 | accordance with s. 620.8105(6) and by the converting  
6178 | organization as required by applicable law, which certificate of  
6179 | conversion must include:

6180 |           a. A statement that the partnership was converted from

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6181 another organization.

6182 b. The name and form of the converting organization and  
6183 the jurisdiction of its governing law.

6184 c. A statement that the conversion was approved as  
6185 required by this act.

6186 d. A statement that the conversion was approved in a  
6187 manner that complied with the converting organization's  
6188 governing law.

6189 e. The effective time of the conversion, if other than the  
6190 time of the filing of the certificate of conversion.

6191  
6192 A converting domestic partnership is not required to file a  
6193 certificate of conversion pursuant to paragraph (a) if the  
6194 converting domestic partnership files articles of conversion or  
6195 a certificate of conversion that substantially complies with the  
6196 requirements of this section pursuant to s. 605.1045, s.  
6197 607.1115, ~~s. 608.439~~, or s. 620.2104(1)(b) and contains the  
6198 signatures required by this chapter. In such a case, the other  
6199 certificate of conversion may also be used for purposes of s.  
6200 620.8915(4).

6201 Section 20. Subsection (3) of section 620.8918, Florida  
6202 Statutes, is amended to read:

6203 620.8918 Filings required for merger; effective date.—

6204 (3) Each domestic constituent partnership shall deliver  
6205 the certificate of merger for filing with the Department of  
6206 State, unless the domestic constituent partnership is named as a  
6207 party or constituent organization in articles of merger or a  
6208 certificate of merger filed for the same merger in accordance

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6209 with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,  
6210 or s. 620.2108(3). The articles of merger or certificate of  
6211 merger must substantially comply with the requirements of this  
6212 section. In such a case, the other articles of merger or  
6213 certificate of merger may also be used for purposes of s.  
6214 620.8919(3). Each domestic constituent partnership in the merger  
6215 shall also file a registration statement in accordance with s.  
6216 620.8105(1) if it does not have a currently effective  
6217 registration statement filed with the Department of State.

6218 Section 21. Effective January 1, 2015, subsection (3) of  
6219 section 620.8918, Florida Statutes, is amended to read:

6220 620.8918 Filings required for merger; effective date.—

6221 (3) Each domestic constituent partnership shall deliver  
6222 the certificate of merger for filing with the Department of  
6223 State, unless the domestic constituent partnership is named as a  
6224 party or constituent organization in articles of merger or a  
6225 certificate of merger filed for the same merger in accordance  
6226 with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,  
6227 or s. 620.2108(3). The articles of merger or certificate of  
6228 merger must substantially comply with the requirements of this  
6229 section. In such a case, the other articles of merger or  
6230 certificate of merger may also be used for purposes of s.  
6231 620.8919(3). Each domestic constituent partnership in the merger  
6232 shall also file a registration statement in accordance with s.  
6233 620.8105(1) if it does not have a currently effective  
6234 registration statement filed with the Department of State.

6235 Section 22. Section 621.051, Florida Statutes, is amended  
6236 to read:

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6237           621.051 Limited liability company organization.—A group of  
6238 professional service corporations, professional limited  
6239 liability companies, or individuals, in any combination, duly  
6240 licensed or otherwise legally authorized to render the same  
6241 professional services may organize and become members of a  
6242 professional limited liability company for pecuniary profit  
6243 under the provisions of chapter 605 or chapter 608 for the sole  
6244 and specific purpose of rendering the same and specific  
6245 professional service.

6246           Section 23. Effective January 1, 2015, section 621.051,  
6247 Florida Statutes, is amended to read:

6248           621.051 Limited liability company organization.—A group of  
6249 professional service corporations, professional limited  
6250 liability companies, or individuals, in any combination, duly  
6251 licensed or otherwise legally authorized to render the same  
6252 professional services may organize and become members of a  
6253 professional limited liability company for pecuniary profit  
6254 under the provisions of chapter 605 ~~or chapter 608~~ for the sole  
6255 and specific purpose of rendering the same and specific  
6256 professional service.

6257           Section 24. Section 621.07, Florida Statutes, is amended  
6258 to read:

6259           621.07 Liability of officers, agents, employees,  
6260 shareholders, members, and corporation or limited liability  
6261 company.—Nothing contained in this act shall be interpreted to  
6262 abolish, repeal, modify, restrict, or limit the law now in  
6263 effect in this state applicable to the professional relationship  
6264 and liabilities between the person furnishing the professional



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6265 services and the person receiving such professional service and  
6266 to the standards for professional conduct; provided, however,  
6267 that any officer, agent, member, manager, or employee of a  
6268 corporation or limited liability company organized under this  
6269 act shall be personally liable and accountable only for  
6270 negligent or wrongful acts or misconduct committed by that  
6271 person, or by any person under that person's direct supervision  
6272 and control, while rendering professional service on behalf of  
6273 the corporation or limited liability company to the person for  
6274 whom such professional services were being rendered; and  
6275 provided further that the personal liability of shareholders of  
6276 a corporation, or members of a limited liability company,  
6277 organized under this act, in their capacity as shareholders or  
6278 members of such corporation or limited liability company, shall  
6279 be no greater in any aspect than that of a shareholder-employee  
6280 of a corporation organized under chapter 607 or a member-  
6281 employee of a limited liability company organized under chapter  
6282 605 or chapter 608. The corporation or limited liability company  
6283 shall be liable up to the full value of its property for any  
6284 negligent or wrongful acts or misconduct committed by any of its  
6285 officers, agents, members, managers, or employees while they are  
6286 engaged on behalf of the corporation or limited liability  
6287 company in the rendering of professional services.

6288 Section 25. Effective January 1, 2015, section 621.07,  
6289 Florida Statutes, is amended to read:

6290 621.07 Liability of officers, agents, employees,  
6291 shareholders, members, and corporation or limited liability  
6292 company.—Nothing contained in this act shall be interpreted to

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6293 abolish, repeal, modify, restrict, or limit the law now in  
6294 effect in this state applicable to the professional relationship  
6295 and liabilities between the person furnishing the professional  
6296 services and the person receiving such professional service and  
6297 to the standards for professional conduct; provided, however,  
6298 that any officer, agent, member, manager, or employee of a  
6299 corporation or limited liability company organized under this  
6300 act shall be personally liable and accountable only for  
6301 negligent or wrongful acts or misconduct committed by that  
6302 person, or by any person under that person's direct supervision  
6303 and control, while rendering professional service on behalf of  
6304 the corporation or limited liability company to the person for  
6305 whom such professional services were being rendered; and  
6306 provided further that the personal liability of shareholders of  
6307 a corporation, or members of a limited liability company,  
6308 organized under this act, in their capacity as shareholders or  
6309 members of such corporation or limited liability company, shall  
6310 be no greater in any aspect than that of a shareholder-employee  
6311 of a corporation organized under chapter 607 or a member-  
6312 employee of a limited liability company organized under chapter  
6313 605 ~~or chapter 608~~. The corporation or limited liability company  
6314 shall be liable up to the full value of its property for any  
6315 negligent or wrongful acts or misconduct committed by any of its  
6316 officers, agents, members, managers, or employees while they are  
6317 engaged on behalf of the corporation or limited liability  
6318 company in the rendering of professional services.

6319 Section 26. Subsections (2) and (4) of section 621.12,  
6320 Florida Statutes, are amended to read:

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6321 621.12 Identification with individual shareholders or  
6322 individual members.—

6323 (2) The name shall also contain:

6324 (a) The word "chartered"; or

6325 (b)1. In the case of a professional corporation, the words  
6326 "professional association" or the abbreviation "P.A."; or

6327 2. In the case of a professional limited liability  
6328 company, formed before January 1, 2014, the words "professional  
6329 limited company" or "professional limited liability company," ~~or~~  
6330 the abbreviation "P.L." or "P.L.L.C." or the designation "PL"  
6331 or "PLLC," in lieu of the words "limited company" or "limited  
6332 liability company," or the abbreviation "L.C." or "L.L.C." or  
6333 the designation "LC" or "LLC" as otherwise required under s.  
6334 605.0112 or s. 608.406.

6335 3. In the case of a professional limited liability company  
6336 formed on or after January 1, 2014, the words "professional  
6337 limited liability company," the abbreviation "P.L.L.C." or the  
6338 designation "PLLC," in lieu of the words "limited liability  
6339 company," or the abbreviation "L.L.C." or the designation "LLC"  
6340 as otherwise required under s.605.0112.

6341 (4) It shall be permissible, however, for the corporation  
6342 or limited liability company to render professional services and  
6343 to exercise its authorized powers under a name which is  
6344 identical to its name or contains any one or more of the last  
6345 names of any shareholder or member included in such name except  
6346 that the word "chartered," the words "professional association,"  
6347 ~~or~~ "professional limited company," or "professional limited  
6348 liability company," ~~or~~ the abbreviations "P.A.," ~~or~~ "P.L.," or

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6349 "P.L.L.C.," or the designation "PL" or "PLLC" may be omitted,  
6350 provided that the corporation or limited liability company has  
6351 first registered the name to be so used in the manner required  
6352 for the registration of fictitious names.

6353 Section 27. Section 621.13, Florida Statutes, is amended  
6354 to read:

6355 621.13 Applicability of chapters 605, 607, and 608.—

6356 (1) Chapter 607 is applicable to a corporation organized  
6357 pursuant to this act except to the extent that any of the  
6358 provisions of this act are interpreted to be in conflict with  
6359 the provisions of chapter 607. In such event, the provisions and  
6360 sections of this act shall take precedence with respect to a  
6361 corporation organized pursuant to the provisions of this act.

6362 (2) (a) Before January 1, 2014, and during any transition  
6363 period thereafter, chapter 608 is applicable to a limited  
6364 liability company organized pursuant to this act before January  
6365 1, 2014, except to the extent that any of the provisions of this  
6366 act are interpreted to be in conflict with the provisions of  
6367 chapter 608. In such event, the provisions and sections of this  
6368 act shall take precedence with respect to a limited liability  
6369 company organized pursuant to the provisions of this act.

6370 (b) On and after January 1, 2014, chapter 605 is  
6371 applicable to a limited liability company organized pursuant to  
6372 this act on or after January 1, 2014, except to the extent that  
6373 any of the provisions of this act are interpreted to be in  
6374 conflict with the provisions of chapter 605. In such event, the  
6375 provisions and sections of this act shall take precedence with  
6376 respect to a limited liability company organized pursuant to the

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6377 provisions of this act.

6378 (c) After an election is made to be subject to the  
6379 provisions of chapter 605, chapter 605 applies to a limited  
6380 liability company organized pursuant to this act before January  
6381 1, 2014, except to the extent that any of the provisions of this  
6382 act are interpreted to be in conflict with the provisions of  
6383 chapter 605. In such event, the provisions and sections of this  
6384 act shall take precedence with respect to a limited liability  
6385 company organized pursuant to the provisions of this act.

6386 (3) A professional corporation or limited liability  
6387 company heretofore or hereafter organized under this act may  
6388 change its business purpose from the rendering of professional  
6389 service to provide for any other lawful purpose by amending its  
6390 certificate of incorporation in the manner required for an  
6391 original incorporation under chapter 607 or by amending its  
6392 certificate of organization in the manner required for an  
6393 original organization under chapter 608, or for a limited  
6394 liability company subject to chapter 605 by amending its  
6395 certificate of organization in the manner required for an  
6396 original organization under chapter 605. However, such an  
6397 amendment, when filed with and accepted by the Department of  
6398 State, shall remove such corporation or limited liability  
6399 company from the provisions of this chapter including, but not  
6400 limited to, the right to practice a profession. A change of  
6401 business purpose shall not have any effect on the continued  
6402 existence of the corporation or limited liability company.

6403 Section 28. Effective January 1, 2015, section 621.13,  
6404 Florida Statutes, is amended to read:

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6405 621.13 Applicability of chapters 605 and, 607, ~~and 608.~~

6406 (1) Chapter 607 is applicable to a corporation organized  
6407 pursuant to this act except to the extent that any of the  
6408 provisions of this act are interpreted to be in conflict with  
6409 the provisions of chapter 607. In such event, the provisions and  
6410 sections of this act shall take precedence with respect to a  
6411 corporation organized pursuant to the provisions of this act.

6412 (2) ~~(a) Chapter 605 Before January 1, 2014, and during any~~  
6413 ~~transition period thereafter, chapter 608~~ is applicable to a  
6414 limited liability company organized pursuant to this act ~~before~~  
6415 ~~January 1, 2014,~~ except to the extent that any of the provisions  
6416 of this act are interpreted to be in conflict with the  
6417 provisions of chapter 605 ~~608~~. In such event, the provisions and  
6418 sections of this act shall take precedence with respect to a  
6419 limited liability company organized pursuant to the provisions  
6420 of this act.

6421 ~~(b) On and after January 1, 2014, chapter 605 is~~  
6422 ~~applicable to a limited liability company organized pursuant to~~  
6423 ~~this act on or after January 1, 2014, except to the extent that~~  
6424 ~~any of the provisions of this act are interpreted to be in~~  
6425 ~~conflict with the provisions of chapter 605. In such event, the~~  
6426 ~~provisions and sections of this act shall take precedence with~~  
6427 ~~respect to a limited liability company organized pursuant to the~~  
6428 ~~provisions of this act.~~

6429 ~~(c) After an election is made to be subject to the~~  
6430 ~~provisions of chapter 605, chapter 605 applies to a limited~~  
6431 ~~liability company organized pursuant to this act before January~~  
6432 ~~1, 2014, except to the extent that any of the provisions of this~~

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6433 ~~act are interpreted to be in conflict with the provisions of~~  
6434 ~~chapter 605. In such event, the provisions and sections of this~~  
6435 ~~act shall take precedence with respect to a limited liability~~  
6436 ~~company organized pursuant to the provisions of this act.~~

6437 (3) A professional corporation or limited liability  
6438 company heretofore or hereafter organized under this act may  
6439 change its business purpose from the rendering of professional  
6440 service to provide for any other lawful purpose by amending its  
6441 certificate of incorporation in the manner required for an  
6442 original incorporation under chapter 607 or ~~by amending its~~  
6443 ~~certificate of organization in the manner required for an~~  
6444 ~~original organization under chapter 608, or for a limited~~  
6445 ~~liability company subject to chapter 605~~ by amending its  
6446 certificate of organization in the manner required for an  
6447 original organization under chapter 605. However, such an  
6448 amendment, when filed with and accepted by the Department of  
6449 State, shall remove such corporation or limited liability  
6450 company from the provisions of this chapter including, but not  
6451 limited to, the right to practice a profession. A change of  
6452 business purpose shall not have any effect on the continued  
6453 existence of the corporation or limited liability company.

6454 Section 29. Except as otherwise provided, this act shall  
6455 take effect January 1, 2014.

6456 -----  
6457  
6458  
6459 **T I T L E A M E N D M E N T**

6460 Remove everything before the enacting clause and insert:

## Amendment No. 1

6461 An act relating to limited liability companies;  
6462 providing a directive to the Division of Law Revision  
6463 and Information; creating ch. 605, F.S.; providing a  
6464 short title; providing definitions and general  
6465 provisions relating to operating agreements, powers,  
6466 property, rules of construction, names, and registered  
6467 agents of limited liability companies; providing  
6468 penalties for noncompliance with certain provisions;  
6469 providing for the formation and filing of documents of  
6470 a limited liability company with the Department of  
6471 State; providing fees; establishing the authority and  
6472 liability of members and managers; providing for the  
6473 relationship of members and management, voting,  
6474 standards of conduct, records, and the right to obtain  
6475 information; providing for transferable interests and  
6476 the rights of transferees and creditors; providing for  
6477 the dissociation of a member and its effects;  
6478 providing for the dissolution and winding up of a  
6479 limited liability company; providing for payment of  
6480 attorney fees and costs in certain circumstances;  
6481 establishing provisions for merger, conversion,  
6482 domestication, interest exchange, and appraisal  
6483 rights; providing miscellaneous provisions for  
6484 application and construction, electronic signatures,  
6485 tax exemption on income, interrogatories and other  
6486 powers of the department, and reservation of power to  
6487 amend or appeal; providing for severability; providing  
6488 for the application to a limited liability company



COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1079 (2013)

Amendment No. 1

6489 formed under the Florida Limited Liability Company  
6490 Act; creating s. 48.062, F.S.; providing for service  
6491 of process on a limited liability company; providing  
6492 for the applicability of the Florida Limited Liability  
6493 Company Act; providing for the future and contingent  
6494 amendment of fees of the Department of State;  
6495 providing for the future repeal of ch. 608, F.S.,  
6496 relating to the Florida Limited Liability Company Act;  
6497 amending ss. 607.1109, 607.1113, 607.193, 617.1108,  
6498 620.2104, 620.2108, 620.8914, 620.8918, 621.051, and  
6499 621.07; providing cross-references to conform to  
6500 changes made by the act; amending s. 621.12, F.S.;  
6501 revising provisions relating to the identification of  
6502 certain professional corporations to conform to  
6503 changes made by the act; amending s. 621.13, F.S.;  
6504 revising provisions relating to the applicability of  
6505 certain chapters to the Professional Service  
6506 Corporation and Limited Liability Company Act to  
6507 conform to changes made by the act; providing  
6508 effective dates.  
6509