

1 A bill to be entitled
2 An act relating to limited liability companies;
3 providing a directive to the Division of Law Revision
4 and Information; creating ch. 605, F.S.; providing a
5 short title; providing definitions and general
6 provisions relating to operating agreements, powers,
7 property, rules of construction, names, and registered
8 agents of limited liability companies; providing
9 penalties for noncompliance with certain provisions;
10 providing for the formation and filing of documents of
11 a limited liability company with the Department of
12 State; providing fees; establishing the authority and
13 liability of members and managers; providing for the
14 relationship of members and management, voting,
15 standards of conduct, records, and the right to obtain
16 information; providing for transferable interests and
17 the rights of transferees and creditors; providing for
18 the dissociation of a member and its effects;
19 providing for the dissolution and winding up of a
20 limited liability company; providing for payment of
21 attorney fees and costs in certain circumstances;
22 establishing provisions for merger, conversion,
23 domestication, interest exchange, and appraisal
24 rights; providing miscellaneous provisions for
25 application and construction, electronic signatures,
26 tax exemption on income, interrogatories and other
27 powers of the department, and reservation of power to
28 amend or appeal; providing for severability; providing

29 | for the application to a limited liability company
 30 | formed under the Florida Limited Liability Company
 31 | Act; creating s. 48.062, F.S.; providing for service
 32 | of process on a limited liability company; providing
 33 | for the applicability of the Florida Limited Liability
 34 | Company Act; providing for the future and contingent
 35 | amendment of fees of the Department of State;
 36 | providing for the future repeal of ch. 608, F.S.,
 37 | relating to the Florida Limited Liability Company Act;
 38 | amending ss. 607.1109, 607.1113, 607.193, 617.1108,
 39 | 620.2104, 620.2108, 620.8914, 620.8918, 621.051, and
 40 | 621.07; providing cross-references to conform to
 41 | changes made by the act; amending s. 621.12, F.S.;
 42 | revising provisions relating to the identification of
 43 | certain professional corporations to conform to
 44 | changes made by the act; amending s. 621.13, F.S.;
 45 | revising provisions relating to the applicability of
 46 | certain chapters to the Professional Service
 47 | Corporation and Limited Liability Company Act to
 48 | conform to changes made by the act; providing
 49 | effective dates.

50 |
 51 | Be It Enacted by the Legislature of the State of Florida:

52 |
 53 | Section 1. The Division of Law Revision and Information is
 54 | directed to entitle chapter 605, Florida Statutes, as the
 55 | "Florida Revised Limited Liability Company Act."

56 | Section 2. Chapter 605, Florida Statutes, consisting of

57 sections 605.0101-605.1108, Florida Statutes, is created to
58 read:

59 CHAPTER 605

60 FLORIDA REVISED LIMITED LIABILITY COMPANY ACT

61 605.0101 Short title.—This chapter may be cited as the
62 "Florida Revised Limited Liability Company Act."

63 605.0102 Definitions.—As used in this chapter, the term:

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

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

70 (3) "Articles of conversion" means the articles of
71 conversion required under s. 605.1045. The term includes the
72 articles of conversion as amended or restated.

73 (4) "Articles of domestication" means the articles of
74 domestication required under s. 605.1055. The term includes the
75 articles of domestication as amended or restated.

76 (5) "Articles of interest exchange" means the articles of
77 interest exchange required under s. 605.1035. The term includes
78 the articles of interest exchange as amended or restated.

79 (6) "Articles of merger" means the articles of merger
80 required under s. 605.1025. The term includes the articles of
81 merger as amended or restated.

82 (7) "Articles of organization" means the articles of
83 organization required under s. 605.0201. The term includes the
84 articles of organization as amended or restated.

85 (8) "Authorized representative" means:
 86 (a) In the case of the formation of a limited liability
 87 company, a person authorized by a prospective member of the
 88 limited liability company to form the company by executing and
 89 filing its articles of organization with the department.
 90 (b) In the case of an existing limited liability company,
 91 with respect to the execution and filing of a record with the
 92 department or taking any other action required or authorized
 93 under this chapter:
 94 1. A manager of a manager-managed limited liability
 95 company who is authorized to do so;
 96 2. A member of a member-managed limited liability company
 97 who is authorized to do so; or
 98 3. An agent or officer of the limited liability company
 99 who is granted the authority to do so by such a manager or such
 100 a member, pursuant to the operating agreement of the limited
 101 liability company or pursuant to s. 605.0709.
 102 (c) In the case of a foreign limited liability company or
 103 another entity, with respect to the execution and filing of a
 104 record with the department or taking any other action required
 105 or authorized under this chapter, a person who is authorized to
 106 file the record or take the action on behalf of the foreign
 107 limited liability company or other entity.
 108 (9) "Business day" means Monday through Friday, excluding
 109 any day that a national banking association is not open for
 110 normal business transactions.
 111 (10) "Contribution," except in the phrase "right of
 112 contribution," means property or a benefit described in s.

113 605.0402 which is provided by a person to a limited liability
114 company to become a member or which is provided in the person's
115 capacity as a member.

116 (11) "Conversion" means a transaction authorized under ss.
117 605.1041-605.1046.

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

120 (13) "Converting entity" means the domestic entity that
121 approves a plan of conversion pursuant to s. 605.1043 or the
122 foreign entity that approves a conversion pursuant to the
123 organic law of its jurisdiction of formation.

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

125 (15) "Debtor in bankruptcy" means a person who is the
126 subject of:

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

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

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

132 (17) "Distribution" means a transfer of money or other
133 property from a limited liability company to a person on account
134 of a transferable interest or in the person's capacity as a
135 member.

136 (a) The term includes:

137 1. A redemption or other purchase by a limited liability
138 company of a transferable interest.

139 2. A transfer to a member in return for the member's
140 relinquishment of any right to participate as a member in the

141 management or conduct of the company's activities and affairs or
142 a relinquishment of a right to have access to records or other
143 information concerning the company's activities and affairs.

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

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

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

153 (20) "Domesticated limited liability company" means the
154 domesticating entity as it continues in existence after a
155 domestication.

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

159 (22) "Domestication" means a transaction authorized under
160 ss. 605.1051-605.1056.

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

162 1. A business corporation;

163 2. A nonprofit corporation;

164 3. A general partnership, including a limited liability
165 partnership;

166 4. A limited partnership, including a limited liability
167 limited partnership;

168 5. A limited liability company;

169 6. A real estate investment trust; or

170 7. Any other domestic or foreign entity that is organized
171 under an organic law.

172 (b) "Entity" does not include:

173 1. An individual;

174 2. A trust with a predominantly donative purpose or a
175 charitable trust;

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

179 4. A decedent's estate; or

180 5. A government or a governmental subdivision, agency, or
181 instrumentality.

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

184 (25) "Foreign," with respect to an entity, means an entity
185 whose jurisdiction of formation is a jurisdiction other than
186 this state.

187 (26) "Foreign limited liability company" means an
188 unincorporated entity that was formed in a jurisdiction other
189 than this state and is denominated by that law as a limited
190 liability company.

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

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

196 (b) Vote for or consent to the election of the governors

197 | of the entity; or
 198 | (c) Receive notice of, vote on, or consent to an issue
 199 | involving the internal affairs of the entity.
 200 | (28) "Governor" means:
 201 | (a) A director of a business corporation;
 202 | (b) A director or trustee of a nonprofit corporation;
 203 | (c) A general partner of a general partnership;
 204 | (d) A general partner of a limited partnership;
 205 | (e) A manager of a manager-managed limited liability
 206 | company;
 207 | (f) A member of a member-managed limited liability
 208 | company;
 209 | (g) A director or a trustee of a real estate investment
 210 | trust; or
 211 | (h) Any other person under whose authority the powers of
 212 | an entity are exercised and under whose direction the activities
 213 | and affairs of the entity are managed pursuant to the organic
 214 | law and organic rules of the entity.
 215 | (29) "Interest" means:
 216 | (a) A share in a business corporation;
 217 | (b) A membership in a nonprofit corporation;
 218 | (c) A partnership interest in a general partnership;
 219 | (d) A partnership interest in a limited partnership;
 220 | (e) A membership interest in a limited liability company;
 221 | (f) A share or beneficial interest in a real estate
 222 | investment trust;
 223 | (g) A member's interest in a limited cooperative
 224 | association;

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

227 (i) A governance interest or distributional interest in
228 another entity.

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

231 (31) "Interest holder" means:

232 (a) A shareholder of a business corporation;

233 (b) A member of a nonprofit corporation;

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

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

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

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

238 (g) A shareholder or beneficial owner of a real estate
239 investment trust;

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

242 (i) Another direct holder of an interest.

243 (32) "Interest holder liability" means:

244 (a) Personal liability for a liability of an entity which
245 is imposed on a person:

246 1. Solely by reason of the status of the person as an
247 interest holder; or

248 2. By the organic rules of the entity which make one or
249 more specified interest holders or categories of interest
250 holders liable in their capacity as interest holders for all or
251 specified liabilities of the entity.

252 (b) An obligation of an interest holder under the organic

253 | rules of an entity to contribute to the entity.

254 | (33) "Jurisdiction," if used to refer to a political
 255 | entity, means the United States, a state, a foreign country, or
 256 | a political subdivision of a foreign country.

257 | (34) "Jurisdiction of formation" means, with respect to an
 258 | entity:

259 | (a) The jurisdiction under whose organic law the entity is
 260 | formed, incorporated, or created or otherwise comes into being;
 261 | however, for these purposes, if an entity exists under the law
 262 | of a jurisdiction different from the jurisdiction under which
 263 | the entity originally was formed, incorporated, or created or
 264 | otherwise came into being, then the jurisdiction under which the
 265 | entity then exists is treated as the jurisdiction of formation;
 266 | or

267 | (b) In the case of a limited liability partnership or
 268 | foreign limited liability partnership, the jurisdiction in which
 269 | the partnership's statement of qualification or equivalent
 270 | document is filed.

271 | (35) "Legal representative" means, with respect to a
 272 | natural person, the personal representative, executor, guardian,
 273 | or conservator or any other person who is empowered by
 274 | applicable law with the authority to act on behalf of the
 275 | natural person, and, with respect to a person other than a
 276 | natural person, a person who is empowered by applicable law with
 277 | the authority to act on behalf of the person.

278 | (36) "Limited liability company" or "company," except in
 279 | the phrase "foreign limited liability company," means an entity
 280 | formed or existing under this chapter or an entity that becomes

281 subject to this chapter pursuant to ss. 605.1001-605.1072.

282 (37) "Majority-in-interest" means those members who hold
283 more than 50 percent of the then-current percentage or other
284 interest in the profits of the limited liability company and who
285 have the right to vote; however, as used in ss. 605.1001-
286 605.1072, the term means:

287 (a) In the case of a limited liability company with only
288 one class or series of members, the holders of more than 50
289 percent of the then-current percentage or other interest in the
290 profits of the company who have the right to approve a merger,
291 interest exchange, or conversion under the organic law or the
292 organic rules of the company; and

293 (b) In the case of a limited liability company having more
294 than one class or series of members, the holders in each class
295 or series of more than 50 percent of the then-current percentage
296 or other interest in the profits of that class or series who
297 have the right to approve a merger, interest exchange, or
298 conversion under the organic law or the organic rules of the
299 company, unless the company's organic rules provide for the
300 approval of the transaction in a different manner.

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

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

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

309 (a) Is a member of a limited liability company under s.
310 605.0401 or was a member in a company when the company became
311 subject to this chapter; and

312 (b) Has not dissociated from the company under s.
313 605.0602.

314 (41) "Member-managed limited liability company" means a
315 limited liability company that is not a manager-managed limited
316 liability company.

317 (42) "Merger" means a transaction authorized under ss.
318 605.1021-605.1026.

319 (43) "Merging entity" means an entity that is a party to a
320 merger and exists immediately before the merger becomes
321 effective.

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

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

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

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

335 (48) "Person" means an individual, business corporation,
336 nonprofit corporation, partnership, limited partnership, limited

337 liability company, limited cooperative association,
338 unincorporated nonprofit association, statutory trust, business
339 trust, common law business trust, estate, trust, association,
340 joint venture, public corporation, government or governmental
341 subdivision, agency, or instrumentality, or another legal or
342 commercial entity.

343 (49) "Plan" means a plan of merger, plan of interest
344 exchange, plan of conversion, or plan of domestication, as
345 appropriate in the particular context.

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

348 (51) "Plan of domestication" means a plan under s.
349 605.1052 and includes the plan of domestication as amended or
350 restated.

351 (52) "Plan of interest exchange" means a plan under s.
352 605.1032 and includes the plan of interest exchange as amended
353 or restated.

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

356 (54) "Principal office" means the principal executive
357 office of a limited liability company or foreign limited
358 liability company, regardless of whether the office is located
359 in this state.

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

364 (a) The bylaws of a business corporation.

- 365 (b) The bylaws of a nonprofit corporation.
- 366 (c) The partnership agreement of a general partnership.
- 367 (d) The partnership agreement of a limited partnership.
- 368 (e) The operating agreement of a limited liability
- 369 company.
- 370 (f) The bylaws, trust instrument, or similar rules of a
- 371 real estate investment trust.
- 372 (g) The trust instrument of a statutory trust or similar
- 373 rules of a business trust or common law business trust.
- 374 (56) "Property" means all property, whether real,
- 375 personal, mixed, tangible, or intangible, or a right or interest
- 376 therein.
- 377 (57) "Protected agreement" means:
- 378 (a) A record evidencing indebtedness and any related
- 379 agreement in effect on January 1, 2014;
- 380 (b) An agreement that is binding on an entity on January
- 381 1, 2014;
- 382 (c) The organic rules of an entity in effect on January 1,
- 383 2014; or
- 384 (d) An agreement that is binding on any of the governors
- 385 or interest holders of an entity on January 1, 2014.
- 386 (58) "Public organic record" means a record, the filing of
- 387 which by a governmental body is required to form an entity, and
- 388 an amendment to or restatement of that record. The term includes
- 389 the following:
- 390 (a) The articles of incorporation of a business
- 391 corporation.
- 392 (b) The articles of incorporation of a nonprofit

393 corporation.

394 (c) The certificate of limited partnership of a limited
395 partnership.

396 (d) The articles of organization of a limited liability
397 company.

398 (e) The articles of incorporation of a general cooperative
399 association or a limited cooperative association.

400 (f) The certificate of trust of a statutory trust or
401 similar record of a business trust.

402 (g) The articles of incorporation of a real estate
403 investment trust.

404 (59) "Record," if used as a noun, means information that
405 is inscribed on a tangible medium or that is stored in an
406 electronic or other medium and is retrievable in perceivable
407 form.

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

411 (61) "Registered foreign limited liability company" means
412 a foreign limited liability company that has a certificate of
413 authority to transact business in this state pursuant to a
414 record filed with the department.

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

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

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

421
422 The terms "signed" and "signature" have the corresponding
423 meanings.

424 (63) "State" means a state of the United States, the
425 District of Columbia, Puerto Rico, the United States Virgin
426 Islands, or a territory or insular possession subject to the
427 jurisdiction of the United States.

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

430 (65) "Transfer" includes:

431 (a) An assignment.

432 (b) A conveyance.

433 (c) A sale.

434 (d) A lease.

435 (e) An encumbrance, including a mortgage or security
436 interest.

437 (f) A gift.

438 (g) A transfer by operation of law.

439 (66) "Transferable interest" means the right, as initially
440 owned by a person in the person's capacity as a member, to
441 receive distributions from a limited liability company in
442 accordance with the operating agreement, whether the person
443 remains a member or continues to own a part of the right. The
444 term applies to any fraction of the interest, by whomever owned.

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

449 (68) "Type of entity" means a generic form of entity that
450 is:

451 (a) Recognized at common law; or

452 (b) Formed under an organic law, whether or not some of
453 the entities formed under that organic law are subject to
454 provisions of that law which create different categories of the
455 form of entity.

456 (69) "Writing" means printing, typewriting, electronic
457 communication, or other intentional communication that is
458 reducible to a tangible form. The term "written" has the
459 corresponding meaning.

460 605.0103 Knowledge; notice.—

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

462 (a) Has actual knowledge of the fact; or

463 (b) Is deemed to know the fact under paragraph (4) (b), or
464 a law other than this chapter.

465 (2) A person has notice of a fact when the person:

466 (a) Has reason to know the fact from all of the facts
467 known to the person at the time in question; or

468 (b) Is deemed to have notice of the fact under paragraph
469 (4) (b) .

470 (3) Subject to s. 605.0210(8), a person notifies another
471 person of a fact by taking steps reasonably required to inform
472 the other person in the ordinary course of events, regardless of
473 whether those steps actually cause the other person to know of
474 the fact.

475 (4) A person who is not a member is deemed to:

476 (a) Know of a limitation on authority to transfer real

477 property as provided in s. 605.0302(7); and
478 (b) Have notice of a limited liability company's:
479 1. Dissolution, 90 days after the articles of dissolution
480 filed under s. 605.0707 become effective;
481 2. Termination, 90 days after a statement of termination
482 filed under s. 605.0709(7) becomes effective;
483 3. Participation in a merger, interest exchange,
484 conversion, or domestication, 90 days after the articles of
485 merger, articles of interest exchange, articles of conversion,
486 or articles of domestication under s. 605.1025, s. 605.1035, s.
487 605.1045, or s. 605.1055, respectively, become effective;
488 4. Declaration in its articles of organization that it is
489 manager-managed in accordance with s. 605.0201(3)(a); however,
490 if such a declaration has been added or changed by an amendment
491 or amendment and restatement of the articles of organization,
492 notice of the addition or change may not become effective until
493 90 days after the effective date of such amendment or amendment
494 and restatement; and
495 5. Grant of authority to or limitation imposed on the
496 authority of a person holding a position or having a specified
497 status in a company, or grant of authority to or limitation
498 imposed on the authority of a specific person, if the grant of
499 authority or limitation imposed on the authority is described in
500 the articles of organization in accordance with s.
501 605.0201(3)(d); however, if that description has been added or
502 changed by an amendment or an amendment and restatement of the
503 articles of organization, notice of the addition or change may
504 not become effective until 90 days after the effective date of

505 such amendment or amendment and restatement.

506 605.0104 Governing law.—The law of this state governs:

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

508 (2) The liability of a member as member, and a manager as
 509 manager, for the debts, obligations, or other liabilities of a
 510 limited liability company.

511 605.0105 Operating agreement; scope, function, and
 512 limitations.—

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

515 (a) Relations among the members as members and between the
 516 members and the limited liability company.

517 (b) The rights and duties under this chapter of a person
 518 in the capacity of manager.

519 (c) The activities and affairs of the company and the
 520 conduct of those activities and affairs.

521 (d) The means and conditions for amending the operating
 522 agreement.

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

526 (3) An operating agreement may not do any of the
 527 following:

528 (a) Vary a limited liability company's capacity under s.
 529 605.0109 to sue and be sued in its own name.

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

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

- 533 1. Registered agents; or
- 534 2. The department, including provisions pertaining to
535 records authorized or required to be delivered to the department
536 for filing under this chapter.
- 537 (d) Vary the provisions of s. 605.0204.
- 538 (e) Eliminate the duty of loyalty or the duty of care
539 under s. 605.04091, except as otherwise provided in subsection
540 (4).
- 541 (f) Eliminate the obligation of good faith and fair
542 dealing under s. 605.04091, but the operating agreement may
543 prescribe the standards by which the performance of the
544 obligation is to be measured if the standards are not manifestly
545 unreasonable.
- 546 (g) Relieve or exonerate a person from liability for
547 conduct involving bad faith, willful or intentional misconduct,
548 or a knowing violation of law.
- 549 (h) Unreasonably restrict the duties and rights stated in
550 s. 605.0410, but the operating agreement may impose reasonable
551 restrictions on the availability and use of information obtained
552 under that section and may define appropriate remedies,
553 including liquidated damages, for a breach of a reasonable
554 restriction on use.
- 555 (i) Vary the power of a person to dissociate under s.
556 605.0601, except to require that the notice under s. 605.0602(1)
557 be in a record.
- 558 (j) Vary the grounds for dissolution specified in s.
559 605.0702.
- 560 (k) Vary the requirement to wind up the company's

561 business, activities, and affairs as specified in s.

562 605.0709(1), (2)(a), and (5).

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

565 (m) Vary the provisions of s. 605.0804, but the operating
566 agreement may provide that the company may not appoint a special
567 litigation committee. However, the operating agreement may not
568 prevent a court from appointing a special litigation committee.

569 (n) Vary the right of a member to approve a merger,
570 interest exchange, or conversion under s. 605.1023(1)(b), s.
571 605.1033(1)(b), or s. 605.1043(1)(b), respectively.

572 (o) Vary the required contents of plan of merger under s.
573 605.1022, a plan of interest exchange under s. 605.1032, a plan
574 of conversion under s. 605.1042, or a plan of domestication
575 under s. 605.1052.

576 (p) Except as otherwise provided in ss. 605.0106 and
577 605.0107(2), restrict the rights under this chapter of a person
578 other than a member or manager.

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

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

583 2. A transaction from which the member or manager derived
584 an improper personal benefit.

585 3. A circumstance under which the liability provisions of
586 s. 605.0406 are applicable.

587 4. A breach of duties or obligations under s. 605.04091,
588 taking into account a variation of such duties and obligations

589 provided for in the operating agreement to the extent allowed by
590 subsection (4).

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

594 (a) The operating agreement may:

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

600 2. Alter the prohibition stated in s. 605.0405(1)(b) so
601 that the prohibition requires solely that the company's total
602 assets not be less than the sum of its total liabilities.

603 (b) To the extent the operating agreement of a member-
604 managed limited liability company expressly relieves a member of
605 responsibility that the member would otherwise have under this
606 chapter and imposes the responsibility on one or more other
607 members, the operating agreement may, to the benefit of the
608 member that the operating agreement relieves of the
609 responsibility, also eliminate or limit a duty or obligation
610 that would have pertained to the responsibility.

611 (c) If not manifestly unreasonable, the operating
612 agreement may:

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

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

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

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

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

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

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

629 2. The term is an unreasonable means to achieve the
630 provision's objective.

631 (6) An operating agreement may provide for specific
632 penalties or specified consequences, including those described
633 in s. 605.0403(5), if a member or transferee fails to comply
634 with the terms and conditions of the operating agreement or if
635 other events specified in the operating agreement occur.

636 605.0106 Operating agreement; effect on limited liability
637 company and person becoming member; preformation agreement;
638 other matters involving operating agreement.—

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

642 (2) A person who becomes a member of a limited liability
643 company is deemed to assent to, is bound by, and may enforce the
644 operating agreement, regardless of whether the member executes

645 the operating agreement.

646 (3) Two or more persons who intend to become the initial
647 members of a limited liability company may make an agreement
648 providing that, upon the formation of the company, the agreement
649 will become the operating agreement. One person who intends to
650 become the initial member of a limited liability company may
651 assent to terms that will become the operating agreement upon
652 formation of the company.

653 (4) A manager of a limited liability company or a
654 transferee is bound by the operating agreement, regardless of
655 whether the manager or transferee has agreed to the operating
656 agreement.

657 (5) An operating agreement of a limited liability company
658 that has only one member is not unenforceable simply because
659 there is only one person who is a party to the operating
660 agreement.

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

663 (7) An operating agreement may provide rights to a person,
664 including a person who is not a party to the operating
665 agreement, to the extent provided in the operating agreement.

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

667 (a) May provide that a person be admitted as a member of a
668 limited liability company, become a transferee of a limited
669 liability company interest, or have other rights or powers of a
670 member to the extent assigned:

671 1. If the person or a representative authorized by that
672 person orally, in writing, or by other action such as payment

673 for a limited liability company interest, executes the operating
674 agreement or another record evidencing the intent of the person
675 to become a member or transferee; or

676 2. Without the execution of the operating agreement, if
677 the person or a representative authorized by the person orally,
678 in writing, or by other action such as payment for a limited
679 liability company interest complies with the conditions for
680 becoming a member or transferee as provided in the operating
681 agreement or another record; and

682 (b) Is not unenforceable by reason of its not being signed
683 by a person being admitted as a member or becoming a transferee
684 as provided in paragraph (a), or by reason of its being signed
685 by a representative as provided in this chapter.

686 605.0107 Operating agreement; effect on third parties and
687 relationship to records effective on behalf of limited liability
688 company.—

689 (1) An operating agreement may specify that its amendment
690 requires the approval of a person who is not a party to the
691 agreement or upon the satisfaction of a condition. An amendment
692 is ineffective if its adoption does not include the required
693 approval or satisfy the specified condition.

694 (2) The obligations of a limited liability company and its
695 members to a person in the person's capacity as a transferee or
696 a person dissociated as a member are governed by the operating
697 agreement. An amendment to the operating agreement made after a
698 person becomes a transferee or is dissociated as a member:

699 (a) Is effective with regard to a debt, obligation, or
700 other liability of the limited liability company or its members

701 to the person in the person's capacity as a transferee or person
 702 dissociated as a member; and

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

706 (3) If a record delivered to the department for filing
 707 becomes effective under this chapter and contains a provision
 708 that would be ineffective under s. 605.0105(3) or (4)(c) if
 709 contained in the operating agreement, the provision is
 710 ineffective in the record.

711 (4) Subject to subsection (3), if a record delivered to
 712 the department for filing which has become effective under this
 713 chapter but conflicts with a provision of the operating
 714 agreement:

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

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

719 605.0108 Nature, purpose, and duration of limited
 720 liability company.-

721 (1) A limited liability company is an entity distinct from
 722 its members.

723 (2) A limited liability company may have any lawful
 724 purpose, regardless of whether the company is a for-profit
 725 company.

726 (3) A limited liability company has an indefinite
 727 duration.

728 605.0109 Powers.-A limited liability company has the

729 powers, rights, and privileges granted by this chapter, any
730 other law, or by its operating agreement to do all things
731 necessary or convenient to carry out its activities and affairs,
732 including the power to do all of the following:

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

734 (2) Purchase, receive, lease, or otherwise acquire, own,
735 hold, improve, use, and otherwise deal with real or personal
736 property or any legal or equitable interest in property,
737 wherever located.

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

741 (4) Purchase, receive, subscribe for, or otherwise
742 acquire, own, hold, vote, use, sell, mortgage, lend, grant a
743 security interest in, or otherwise dispose of and deal in and
744 with, shares or other interests in or obligations of another
745 entity.

746 (5) Make contracts or guarantees or incur liabilities;
747 borrow money; issue notes, bonds, or other obligations, which
748 may be convertible into or include the option to purchase other
749 securities of the limited liability company; or make contracts
750 of guaranty and suretyship which are necessary or convenient to
751 the conduct, promotion, or attainment of the purposes,
752 activities, and affairs of the limited liability company.

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

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

757 (8) Select managers and appoint officers, directors,
758 employees, and agents of the limited liability company, define
759 their duties, fix their compensation, and lend them money and
760 credit.

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

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

767 (11) Be a promoter, incorporator, shareholder, partner,
768 member, associate, or manager of a corporation, partnership,
769 joint venture, trust, or other entity.

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

773 (13) Enter into interest rate, basis, currency, hedge or
774 other swap agreements, or cap, floor, put, call, option,
775 exchange or collar agreements, derivative agreements, or similar
776 agreements.

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

779 605.0110 Limited liability company property.—

780 (1) All property originally contributed to the limited
781 liability company or subsequently acquired by a limited
782 liability company by purchase or other method is limited
783 liability company property.

784 (2) Property acquired with limited liability company funds

785 is limited liability company property.

786 (3) Instruments and documents providing for the
787 acquisition, mortgage, or disposition of property of the limited
788 liability company are valid and binding upon the limited
789 liability company if they are executed in accordance with this
790 chapter.

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

793 605.0111 Rules of construction and supplemental principles
794 of law.—

795 (1) It is the intent of this chapter to give the maximum
796 effect to the principle of freedom of contract and to the
797 enforceability of operating agreements, including the purposes
798 of ss. 605.0105-605.0107.

799 (2) Unless displaced by particular provisions of this
800 chapter, the principles of law and equity supplement this
801 chapter.

802 605.0112 Name.—

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

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

806 (b) Must be distinguishable in the records of the Division
807 of Corporations of the department from the names of all other
808 entities or filings, except fictitious name registrations
809 pursuant to s. 865.09, organized, registered, or reserved under
810 the laws of this state, which names are on file with the
811 division; however, a limited liability company may register
812 under a name that is not otherwise distinguishable on the

813 records of the division with the written consent of the owner
814 entity, provided the consent is filed with the division at the
815 time of registration of such name;

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

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

824 (2) Subject to s. 605.0905, this section applies to a
825 foreign limited liability company transacting business in this
826 state which has a certificate of authority to transact business
827 in this state or which has applied for a certificate of
828 authority.

829 (3) In the case of a limited liability company in
830 existence before July 1, 2007, and registered with the
831 department, the requirement in this section that the name of a
832 limited liability company be distinguishable from the names of
833 other entities and filings applies only if the limited liability
834 company files documents on or after July 1, 2007, which would
835 otherwise have affected its name.

836 (4) A limited liability company in existence before
837 January 1, 2014, which was registered with the department and is
838 using an abbreviation or designation in its name authorized
839 under previous law, may continue using the abbreviation or
840 designation in its name until it dissolves or amends its name in

841 the records of the department.

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

846 605.0113 Registered agent.—

847 (1) Each limited liability company and each foreign
848 limited liability company that has a certificate of authority
849 under s. 605.0902 shall designate and continuously maintain in
850 this state:

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

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

854 1. An individual who resides in this state and whose
855 business address is identical to the address of the registered
856 office; or

857 2. A foreign or domestic entity authorized to transact
858 business in this state whose business address is identical to
859 the address of the registered office.

860 (2) Each initial registered agent, and each successor
861 registered agent that is appointed, shall file a statement in
862 writing with the department, in the form and manner prescribed
863 by the department, accepting the appointment as registered agent
864 while simultaneously being designated as the registered agent.
865 The statement of acceptance must provide that the registered
866 agent is familiar with and accepts the obligations of that
867 position.

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

869 (a) To forward to the limited liability company or
870 registered foreign limited liability company, at the address
871 most recently supplied to the agent by the company or foreign
872 limited liability company, a process, notice, or demand
873 pertaining to the company or foreign limited liability company
874 which is served on or received by the agent.

875 (b) If the registered agent resigns, to provide the notice
876 required under s. 605.0115(2) to the company or foreign limited
877 liability company at the address most recently supplied to the
878 agent by the company or foreign limited liability company.

879 (4) The department shall maintain an accurate record of
880 the registered agent and registered office for service of
881 process and shall promptly furnish information disclosed thereby
882 upon request and payment of the required fee.

883 (5) A limited liability company and each foreign limited
884 liability company that has a certificate of authority under s.
885 605.0902 may not prosecute, maintain, or defend an action in a
886 court until the limited liability company complies with this
887 section and pays to the department a penalty of \$5 for each day
888 it has failed to comply or \$500, whichever is less, and pays any
889 other amounts required under this chapter.

890 605.0114 Change of registered agent or registered office.—

891 (1) In order to change its registered agent or registered
892 office address, a limited liability company or a foreign limited
893 liability company may deliver to the department for filing a
894 statement of change containing the following:

895 (a) The name of the limited liability company or foreign
896 limited liability company.

897 (b) The name of its current registered agent.
 898 (c) If the registered agent is to be changed, the name of
 899 the new registered agent.
 900 (d) The street address of its current registered office
 901 for its registered agent.
 902 (e) If the street address of the registered office is to
 903 be changed, the new street address of the registered office in
 904 this state.
 905 (2) If the registered agent is changed, the written
 906 acceptance of the successor registered agent described in s.
 907 605.0113(2) must also be included in or attached to the
 908 statement of change.
 909 (3) A statement of change is effective when filed by the
 910 department or when authorized under s. 605.0207.
 911 (4) The changes described in this section may also be made
 912 on the limited liability company's or foreign limited liability
 913 company's annual report, in an application for reinstatement
 914 filed with the department under s. 605.0715(1), in an amendment
 915 to or restatement of a company's articles of organization in
 916 accordance with s. 605.0202, or in an amendment to a foreign
 917 limited liability company's certificate of authority in
 918 accordance with s. 605.0907.
 919 605.0115 Resignation of registered agent.-
 920 (1) A registered agent may resign as agent for a limited
 921 liability company or foreign limited liability company by
 922 delivering for filing to the department a signed statement of
 923 resignation containing the name of the limited liability company
 924 or foreign limited liability company.

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

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

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

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

934 (4) When a statement of resignation takes effect, the
935 registered agent ceases to have responsibility for a matter
936 thereafter tendered to it as agent for the limited liability
937 company or foreign limited liability company. The resignation
938 does not affect contractual rights that the company or foreign
939 limited liability company has against the agent or that the
940 agent has against the company or foreign limited liability
941 company.

942 (5) A registered agent may resign from a limited liability
943 company or foreign limited liability company regardless of
944 whether the company or foreign limited liability company has
945 active status.

946 605.0116 Change of name or address by registered agent.—

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

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

952 (b) The name of the agent as currently shown in the

953 records of the department for the company or foreign limited
954 liability company.

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

956 (d) If the address of the agent has changed, the new
957 address.

958 (e) That the registered agent has given the notice
959 required under subsection (2).

960 (2) A registered agent shall promptly furnish notice of
961 the statement of change and the changes made by the statement
962 filed with the department to the represented limited liability
963 company or foreign limited liability company.

964 605.0117 Service of process, notice, or demand.—

965 (1) A limited liability company or registered foreign
966 limited liability company may be served with process, notice, or
967 a demand required or authorized by law by serving on its
968 registered agent.

969 (2) If a limited liability company or registered foreign
970 limited liability company ceases to have a registered agent or
971 if its registered agent cannot with reasonable diligence be
972 served, the process, notice, or demand required or permitted by
973 law may instead be served:

974 (a) On a member of a member-managed limited liability
975 company or registered foreign limited liability company; or

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

978 (3) If the process, notice, or demand cannot be served on
979 a limited liability company or registered foreign limited
980 liability company pursuant to subsection (1) or subsection (2),

981 the process, notice, or demand may be served on the department
 982 as an agent of the company.

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

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

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

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

994 605.0118 Delivery of record.—

995 (1) Except as otherwise provided in this chapter,
 996 permissible means of delivery of a record include delivery by
 997 hand, the United States Postal Service, a commercial delivery
 998 service, and electronic transmission.

999 (2) Except as provided in subsection (3), delivery to the
 1000 department is effective only when a record is received by the
 1001 department.

1002 (3) If a check is mailed to the department for payment of
 1003 an annual report fee or the annual fee required under s.
 1004 607.193, the check shall be deemed to have been received by the
 1005 department as of the postmark date appearing on the envelope or
 1006 package transmitting the check if the envelope or package is
 1007 received by the department.

1008 605.0119 Waiver of notice.—If, pursuant to this chapter or

1009 the articles of organization or operating agreement of a limited
 1010 liability company, notice is required to be given to a member of
 1011 a limited liability company or to a manager of a limited
 1012 liability company having a manager or managers, a waiver in
 1013 writing signed by the person or persons entitled to the notice,
 1014 whether made before or after the time for notice to be given, is
 1015 equivalent to the giving of notice.

1016 605.0201 Formation of limited liability company; articles
 1017 of organization.—

1018 (1) One or more persons may act as authorized
 1019 representatives to form a limited liability company by signing
 1020 and delivering articles of organization to the department for
 1021 filing.

1022 (2) The articles of organization must state the following:

1023 (a) The name of the limited liability company, which must
 1024 comply with s. 605.0112.

1025 (b) The street and mailing addresses of the company's
 1026 principal office.

1027 (c) The name, street address in this state, and written
 1028 acceptance of the company's initial registered agent.

1029 (3) The articles of organization may contain statements on
 1030 matters other than those required under subsection (2), but may
 1031 not vary from or otherwise affect the provisions specified in s.
 1032 605.0105(3) in a manner inconsistent with that subsection.

1033 Additional statements may include one or more of the following:

1034 (a) A declaration as to whether the limited liability
 1035 company is manager-managed for purposes of s. 605.0407 and other
 1036 relevant provisions of this chapter.

1037 (b) For a manager-managed limited liability company, the
1038 names and addresses of one or more of the managers of the
1039 company.

1040 (c) For a member-managed limited liability company, the
1041 names and addresses of one or more of the members of the
1042 company.

1043 (d) A description of the authority or limitation on the
1044 authority of a specific person in the company or a person
1045 holding a position or having a specified status in the company.

1046 (e) Any other relevant matters.

1047 (4) A limited liability company is formed when the
1048 company's articles of organization become effective under s.
1049 605.0207 and when at least one person becomes a member at the
1050 time the articles of organization become effective. By signing
1051 the articles of organization, the person who signs the articles
1052 of organization affirms that the company has or will have at
1053 least one member as of the time the articles of organization
1054 become effective.

1055 605.0202 Amendment or restatement of articles of
1056 organization.—

1057 (1) The articles of organization may be amended or
1058 restated at any time.

1059 (2) To amend the articles of organization, a limited
1060 liability company must deliver to the department for filing an
1061 amendment, designated as such in its heading, which contains the
1062 following:

1063 (a) The present name of the company.

1064 (b) The date of filing of the company's articles of

1065 organization.

1066 (c) The amendment to the articles of organization.

1067 (d) The delayed effective date, as provided under s.
1068 605.0207, if the amendment is not effective on the date the
1069 department files the amendment.

1070 (3) To restate its articles of organization, a limited
1071 liability company must deliver to the department for filing an
1072 instrument, entitled "Restatement of Articles of Organization,"
1073 which contains the following:

1074 (a) The present name of the company.

1075 (b) The date of the filing of its articles of
1076 organization.

1077 (c) All of the provisions of its articles of organization
1078 in effect, as restated.

1079 (d) The delayed effective date, as provided under s.
1080 605.0207, if the restatement is not effective on the date the
1081 department files the restatement.

1082 (4) A restatement of the articles of organization of a
1083 limited liability company may also contain one or more
1084 amendments to the articles of organization, in which case the
1085 instrument must be entitled "Amended and Restated Articles of
1086 Organization."

1087 (5) If a member of a member-managed limited liability
1088 company or a manager of a manager-managed limited liability
1089 company knew that information contained in filed articles of
1090 organization was inaccurate when the articles of organization
1091 were filed or became inaccurate due to changed circumstances,
1092 the member or manager shall promptly:

1093 | (a) Cause the articles of organization to be amended; or
 1094 | (b) If appropriate, deliver to the department for filing a
 1095 | statement of change under s. 605.0114 or a statement of
 1096 | correction under s. 605.0209.
 1097 | 605.0203 Signing of records to be delivered for filing to
 1098 | department.-
 1099 | (1) A record delivered to the department for filing
 1100 | pursuant to this chapter must be signed as follows:
 1101 | (a) Except as otherwise provided in paragraphs (b) and
 1102 | (c), a record signed on behalf of a limited liability company
 1103 | must be signed by a person authorized by the company.
 1104 | (b) A company's initial articles of organization must be
 1105 | signed by at least one person acting as an authorized
 1106 | representative. The articles of organization must also include
 1107 | or have attached a statement signed by the company's initial
 1108 | registered agent in the form described in s. 605.0113(2).
 1109 | (c) A record delivered on behalf of a dissolved company
 1110 | that has no member must be signed by the person winding up the
 1111 | company's activities and affairs under s. 605.0709(3) or a
 1112 | person appointed under s. 605.0709(4) or (5) to wind up the
 1113 | activities and affairs.
 1114 | (d) A statement of denial by a person under s. 605.0303
 1115 | must be signed by that person.
 1116 | (e) A record changing the registered agent must also
 1117 | include or be accompanied by a statement signed by the successor
 1118 | registered agent in the form described in s. 605.0113(2).
 1119 | (f) Any other record delivered on behalf of a person to
 1120 | the department must be signed by that person.

1121 (2) A record may also be signed by an agent, legal
1122 representative, or attorney-in-fact, as applicable, if such
1123 person is duly appointed and authorized to sign the record and
1124 the record states that such person possesses that authority.

1125 (3) A person who signs a record as an agent, legal
1126 representative, or attorney-in-fact affirms as a fact that the
1127 person is authorized to sign the record.

1128 605.0204 Signing and filing pursuant to judicial order.—

1129 (1) If a person who is required under this chapter to sign
1130 a record or deliver a record to the department for filing under
1131 this chapter does not do so, another person who is aggrieved may
1132 petition the circuit court to order:

1133 (a) The person to sign the record;

1134 (b) The person to deliver the record to the department for
1135 filing; or

1136 (c) The department to file the record unsigned.

1137 (2) If a petitioner under subsection (1) is not the
1138 limited liability company or foreign limited liability company
1139 to which the record pertains, the petitioner shall make the
1140 limited liability company or foreign limited liability company a
1141 party to the action. The petitioner may seek the remedies
1142 provided in subsection (1) in the same action, in combination or
1143 in the alternative.

1144 (3) A record filed pursuant to paragraph (1)(c) is
1145 effective without being signed.

1146 605.0205 Liability for inaccurate information in filed
1147 record.—

1148 (1) If a record delivered to the department for filing

1149 under this chapter and filed by the department contains
1150 inaccurate information, a person who suffers a loss by reliance
1151 on such information may recover damages for the loss from:

1152 (a) A person who signed the record, or caused another to
1153 sign it on the person's behalf, and knew the information was
1154 inaccurate at the time the record was signed; and

1155 (b) Subject to subsection (2), a member of a member-
1156 managed limited liability company or a manager of a manager-
1157 managed limited liability company if:

1158 1. The record was delivered for filing on behalf of the
1159 company; and

1160 2. The member or manager had notice of the inaccuracy for
1161 a reasonably sufficient time before the information was relied
1162 upon so that, before the reliance, the member or manager
1163 reasonably could have:

1164 a. Effected an amendment pursuant to s. 605.0202;

1165 b. Filed a petition pursuant to s. 605.0204; or

1166 c. Delivered to the department for filing a statement of
1167 change pursuant to s. 605.0114 or a statement of correction
1168 under s. 605.0209.

1169 (2) To the extent that the operating agreement of a
1170 member-managed limited liability company expressly relieves a
1171 member of responsibility for maintaining the accuracy of
1172 information contained in records delivered on behalf of the
1173 company to the department for filing and imposes that
1174 responsibility on one or more other members, the liability
1175 stated in paragraph (1)(b) applies to those other members and
1176 not to the member that the operating agreement relieves of the

1177 responsibility.

1178 (3) An individual who signs a record authorized or
1179 required to be filed under this chapter affirms under penalty of
1180 perjury that the information stated in the record is accurate.

1181 605.0206 Filing requirements.—

1182 (1) A record authorized or required to be delivered to the
1183 department for filing under this chapter must be captioned to
1184 describe the record's purpose, be in a medium authorized by the
1185 department, and be delivered to the department. If all filing
1186 fees are paid, the department shall file the record unless the
1187 department determines that the record does not comply with the
1188 filing requirements.

1189 (2) Upon request and payment of the applicable fee, the
1190 department shall send to the requester a certified copy of the
1191 requested record.

1192 (3) If the department has prescribed a mandatory medium or
1193 form for the record being filed, the record must be in the
1194 prescribed medium or on the prescribed form.

1195 (4) Except as otherwise provided by the department, a
1196 document to be filed with the department must be typewritten or
1197 printed, legible, and written in the English language. A limited
1198 liability company name does not need to be in English if written
1199 in English letters or Arabic or Roman numerals, and the
1200 certificate of existence required of a foreign limited liability
1201 company does not need to be in English if accompanied by a
1202 reasonably authenticated English translation. The department may
1203 prescribe forms in electronic format which comply with this
1204 chapter. The department may also use electronic transmissions

1205 for the purposes of notice and communication in the performance
1206 of its duties and may require filers and registrants to furnish
1207 e-mail addresses when presenting a document for filing.

1208 605.0207 Effective date and time.—Except as otherwise
1209 provided in s. 605.0208, and subject to s. 605.0209(3), any
1210 document delivered to the department for filing under this
1211 chapter may specify an effective time and a delayed effective
1212 date. In the case of initial articles of organization, a prior
1213 effective date may be specified in the articles of organization
1214 if such date is within 5 business days before the date of
1215 filing. Subject to ss. 605.0114, 605.0115, 605.0208, and
1216 605.0209, a record filed by the department is effective:

1217 (1) If the record does not specify an effective time and
1218 does not specify a prior or a delayed effective date, on the
1219 date and at the time the record is filed as evidenced by the
1220 department's endorsement of the date and time on the record.

1221 (2) If the record specifies an effective time, but not a
1222 prior or delayed effective date, on the date the record is filed
1223 at the time specified in the record.

1224 (3) If the record specifies a delayed effective date, but
1225 not an effective time, at 12:01 a.m. on the earlier of:

1226 (a) The specified date; or

1227 (b) The 90th day after the record is filed.

1228 (4) If the record is the initial articles of organization
1229 and specifies a date before the effective date, but no effective
1230 time, at 12:01 a.m. on the later of:

1231 (a) The specified date; or

1232 (b) The 5th business day before the record is filed.

1233 (5) If the record is the initial articles of organization
 1234 and specifies an effective time and a delayed effective date, at
 1235 the specified time on the earlier of:

- 1236 (a) The specified date; or
- 1237 (b) The 90th day after the record is filed.

1238 (6) If the record specifies an effective time and a prior
 1239 effective date, at the specified time on the later of:

- 1240 (a) The specified date; or
- 1241 (b) The 5th business day before the record is filed.

1242 605.0208 Withdrawal of filed record before effectiveness.-

1243 (1) Except as otherwise provided in ss. 605.1001-605.1072,
 1244 a record delivered to the department for filing may be withdrawn
 1245 before it takes effect by delivering to the department for
 1246 filing a withdrawal statement.

1247 (2) A withdrawal statement must:

- 1248 (a) Be signed by each person who signed the record being
 1249 withdrawn, except as otherwise agreed by those persons;
- 1250 (b) Identify the record to be withdrawn; and
- 1251 (c) If not signed by all the persons who signed the record
 1252 being withdrawn, state that the record is withdrawn in
 1253 accordance with the agreement of all the persons who signed the
 1254 record.

1255 (3) On the filing by the department of a withdrawal
 1256 statement, the action or transaction evidenced by the original
 1257 record does not take effect.

1258 605.0209 Correcting filed record.-

1259 (1) A person on whose behalf a filed record was delivered
 1260 to the department for filing may correct the record if:

1261 (a) The record at the time of filing was inaccurate;
 1262 (b) The record was defectively signed; or
 1263 (c) The electronic transmission of the record to the
 1264 department was defective.
 1265 (2) To correct a filed record, a person on whose behalf
 1266 the record was delivered to the department must deliver to the
 1267 department for filing a statement of correction.
 1268 (3) A statement of correction:
 1269 (a) May not state a delayed effective date;
 1270 (b) Must be signed by the person correcting the filed
 1271 record;
 1272 (c) Must identify the filed record to be corrected;
 1273 (d) Must specify the inaccuracy or defect to be corrected;
 1274 and
 1275 (e) Must correct the inaccuracy or defect.
 1276 (4) A statement of correction is effective as of the
 1277 effective date of the filed record that it corrects, except for
 1278 purposes of s. 605.0103(4) and as to persons relying on the
 1279 uncorrected filed record and adversely affected by the
 1280 correction. For those purposes and as to those persons, the
 1281 statement of correction is effective when filed.
 1282 605.0210 Duty of department to file; review of refusal to
 1283 file; transmission of information by department.—
 1284 (1) The department files a document by stamping or
 1285 otherwise endorsing the document as "filed," together with the
 1286 department's official title and the date and time of receipt.
 1287 (2) After filing a record, the department shall deliver an
 1288 acknowledgment of the filing or certified copy of the document

1289 to the company or foreign limited liability company or its
1290 authorized representative.

1291 (3) If the department refuses to file a record, the
1292 department shall, within 15 days after the record is delivered:

1293 (a) Return the record or notify the person who submitted
1294 the record of the refusal; and

1295 (b) Provide a brief explanation in a record of the reason
1296 for the refusal.

1297 (4) If the applicant returns the document with corrections
1298 in accordance with the rules of the department within 60 days
1299 after it was mailed to the applicant by the department and, if
1300 at the time of return, the applicant so requests in writing, the
1301 filing date of the document shall be the filing date that would
1302 have been applied had the original document not been deficient,
1303 except as to persons who relied on the record before correction
1304 and were adversely affected thereby.

1305 (5) The department's duty to file documents under this
1306 section is ministerial. Filing or refusing to file a document
1307 does not:

1308 (a) Affect the validity or invalidity of the document in
1309 whole or part;

1310 (b) Relate to the correctness or incorrectness of
1311 information contained in the document; or

1312 (c) Create a presumption that the document is valid or
1313 invalid or that information contained in the document is correct
1314 or incorrect.

1315 (6) If not otherwise provided by law and this chapter, the
1316 department shall determine by rule the appropriate format for

1317 any document placed under its jurisdiction, and the number of
1318 copies, manner of execution, method of electronic transmission,
1319 and amount and method of payment of fees for such document.

1320 (7) If the department refuses to file a record, the person
1321 who submitted the record may petition the circuit court to
1322 compel filing of the record. The record and the explanation of
1323 the department of the refusal to file must be attached to the
1324 petition. The court may decide the matter in a summary
1325 proceeding.

1326 (8) Except as otherwise provided under s. 605.0117 or by
1327 any law other than this chapter, the department may deliver a
1328 record to a person by delivering it:

- 1329 (a) In person to the person who submitted it;
1330 (b) To the address of the person's registered agent;
1331 (c) To the principal office of the person; or
1332 (d) To another address that the person provides to the
1333 department for delivery.

1334 605.0211 Certificate of status.—

1335 (1) The department, upon request and payment of the
1336 requisite fee, shall issue a certificate of status for a limited
1337 liability company if the records filed in the department show
1338 that the department has accepted and filed the company's
1339 articles of organization. A certificate of status must state the
1340 following:

- 1341 (a) The company's name.
1342 (b) That the company was organized under the laws of this
1343 state and the date of organization.
1344 (c) Whether all fees due to the department under this

1345 chapter have been paid.

1346 (d) If the company's most recent annual report required
1347 under s. 605.0212 has not been filed by the department.

1348 (e) If the department has administratively dissolved the
1349 company or received a record notifying the department that the
1350 company has been dissolved by judicial action pursuant to s.
1351 605.0705.

1352 (f) If the department has filed articles of dissolution
1353 for the company.

1354 (g) If the department has accepted and filed a statement
1355 of termination.

1356 (2) The department, upon request and payment of the
1357 requisite fee, shall furnish a certificate of status for a
1358 foreign limited liability company if the records filed show that
1359 the department has filed a certificate of authority. A
1360 certificate of status for a foreign limited liability company
1361 must state the following:

1362 (a) The foreign limited liability company's name and a
1363 current alternate name adopted under s. 605.0906(1) for use in
1364 this state.

1365 (b) That the foreign limited liability company is
1366 authorized to transact business in this state.

1367 (c) Whether all fees and penalties due to the department
1368 under this chapter or other law have been paid.

1369 (d) If the foreign limited liability company's most recent
1370 annual report required under s. 605.0212 has not been filed by
1371 the department.

1372 (e) If the department has:

- 1373 1. Revoked the foreign limited liability company's
1374 certificate of authority; or
- 1375 2. Filed a notice of withdrawal of certificate of
1376 authority.
- 1377 (3) Subject to any qualification stated in the certificate
1378 of status, a certificate of status issued by the department is
1379 conclusive evidence that the limited liability company is in
1380 existence or the foreign limited liability company is authorized
1381 to transact business in this state.
- 1382 605.0212 Annual report for department.-
- 1383 (1) A limited liability company or a registered foreign
1384 limited liability company shall deliver to the department for
1385 filing an annual report that states the following:
- 1386 (a) The name of the limited liability company or, if a
1387 foreign limited liability company, the name under which the
1388 foreign limited liability company is registered to transact
1389 business in this state.
- 1390 (b) The street address of its principal office and its
1391 mailing address.
- 1392 (c) The date of its organization and, if a foreign limited
1393 liability company, the jurisdiction of its formation and the
1394 date on which it became qualified to transact business in this
1395 state.
- 1396 (d) The company's federal employer identification number
1397 or, if none, whether one has been applied for.
- 1398 (e) The name, title or capacity, and address of at least
1399 one person who has the authority to manage the company.
- 1400 (f) Any additional information that is necessary or

1401 appropriate to enable the department to carry out this chapter.
 1402 (2) Information in the annual report must be current as of
 1403 the date the report is delivered to the department for filing.
 1404 (3) The first annual report must be delivered to the
 1405 department between January 1 and May 1 of the year following the
 1406 calendar year in which the limited liability company's articles
 1407 of organization became effective or the foreign limited
 1408 liability company obtained a certificate of authority to
 1409 transact business in this state. Subsequent annual reports must
 1410 be delivered to the department between January 1 and May 1 of
 1411 each calendar year thereafter. If one or more forms of annual
 1412 report are submitted for a calendar year, the department shall
 1413 file each of them and make the information contained in them
 1414 part of the official record. The first form of annual report
 1415 filed in a calendar year shall be considered the annual report
 1416 for that calendar year, and each report filed after that one in
 1417 the same calendar year shall be treated as an amended report for
 1418 that calendar year.
 1419 (4) If an annual report does not contain the information
 1420 required in this section, the department shall promptly notify
 1421 the reporting limited liability company or registered foreign
 1422 limited liability company. If the report is corrected to contain
 1423 the information required in subsection (1) and delivered to the
 1424 department within 30 days after the effective date of the
 1425 notice, it is timely delivered.
 1426 (5) If an annual report contains the name or address of a
 1427 registered agent which differs from the information shown in the
 1428 records of the department immediately before the annual report

1429 becomes effective, the differing information in the annual
1430 report is considered a statement of change under s. 605.0114.

1431 (6) A limited liability company or foreign limited
1432 liability company that fails to file an annual report that
1433 complies with the requirements of this section may not maintain
1434 or defend any action in a court of this state until the report
1435 is filed and all fees and penalties due under this chapter are
1436 paid, and shall be subject to dissolution or cancellation of its
1437 certificate of authority to transact business as provided in
1438 this chapter.

1439 (7) The department shall prescribe the forms, which may be
1440 in an electronic format, on which to make the annual report
1441 called for in this section and may substitute the uniform
1442 business report pursuant to s. 606.06 as a means of satisfying
1443 the requirement of this chapter.

1444 (8) As a condition of a merger under s. 605.1021, each
1445 party to a merger which exists under the laws of this state, and
1446 each party to the merger which exists under the laws of another
1447 jurisdiction and has a certificate of authority to transact
1448 business or conduct its affairs in this state, must be active
1449 and current in filing its annual reports in the records of the
1450 department through December 31 of the calendar year in which the
1451 articles of merger are submitted to the department for filing.

1452 (9) As a condition of a conversion of an entity to a
1453 limited liability company under s. 605.1041, the entity, if it
1454 exists under the laws of this state, or if it exists under the
1455 laws of another jurisdiction and has a certificate of authority
1456 to transact business or conduct its affairs in this state, must

1457 be active and current in filing its annual reports in the
1458 records of the department through December 31 of the calendar
1459 year in which the articles of conversion are submitted to the
1460 department for filing.

1461 (10) As a condition of a conversion of a limited liability
1462 company to another type of entity under s. 605.1041, the limited
1463 liability company converting to the other type of entity must be
1464 active and current in filing its annual reports in the records
1465 of the department through December 31 of the calendar year in
1466 which the articles of conversion are submitted to the department
1467 for filing.

1468 (11) As a condition of an interest exchange between a
1469 limited liability company and another entity under s. 605.1031,
1470 the limited liability company and each other entity that is a
1471 party to the interest exchange which exists under the laws of
1472 this state, and each party to the interest exchange which exists
1473 under the laws of another jurisdiction and has a certificate of
1474 authority to transact business or conduct its affairs in this
1475 state, must be active and current in filing its annual reports
1476 in the records of the department through December 31 of the
1477 calendar year in which the articles of interest exchange are
1478 submitted to the department for filing.

1479 605.0213 Fees of the department.—The fees of the
1480 department under this chapter are as follows:

1481 (1) For furnishing a certified copy, \$30.

1482 (2) For filing original articles of organization or
1483 articles of revocation of dissolution, \$100.

1484 (3) For filing a foreign limited liability company's

1485 application for a certificate of authority to transact business,
 1486 \$100.

1487 (4) For filing a certificate of merger of limited
 1488 liability companies or other business entities, \$25 per
 1489 constituent party to the merger, unless a specific fee is
 1490 required for a party under other applicable law.

1491 (5) For filing an annual report, \$50.

1492 (6) For filing an application for reinstatement after an
 1493 administrative or judicial dissolution or a revocation of
 1494 authority to transact business, \$100.

1495 (7) For filing a certificate designating a registered
 1496 agent or changing a registered agent, \$25.

1497 (8) For filing a registered agent's statement of
 1498 resignation from an active limited liability company, \$85.

1499 (9) For filing a registered agent's statement of
 1500 resignation from a dissolved limited liability company, \$25.

1501 (10) For filing a certificate of conversion of a limited
 1502 liability company, \$25.

1503 (11) For filing any other limited liability company
 1504 document, \$25.

1505 (12) For furnishing a certificate of status, \$5.

1506 605.0214 Powers of department.—The department has the
 1507 authority reasonably necessary to administer this chapter
 1508 efficiently, to perform the duties imposed upon it, and to adopt
 1509 reasonable rules necessary to carry out its duties and functions
 1510 under this chapter.

1511 605.0215 Certificates to be received in evidence and
 1512 evidentiary effect of copy of filed document.—All certificates

1513 issued by the department in accordance with this chapter shall
1514 be taken and received in all courts, public offices, and
1515 official bodies as prima facie evidence of the facts stated. A
1516 certificate from the department delivered with a copy of a
1517 document filed by the department is conclusive evidence that the
1518 original document is on file with the department.

1519 605.0216 Statement of dissociation or resignation.—

1520 (1) A member of a limited liability company may file a
1521 statement of dissociation with the department containing the
1522 following:

1523 (a) The name of the limited liability company.

1524 (b) The name and signature of the dissociating member.

1525 (c) The date the member withdrew or will withdraw.

1526 (d) A statement that the company has been notified of the
1527 dissociation in writing.

1528 (2) A manager in a manager-managed limited liability
1529 company may file a statement of resignation with the department
1530 containing the following:

1531 (a) The name of the limited liability company.

1532 (b) The name and signature of the resigning manager.

1533 (c) The date the resigning manager resigned or will
1534 resign.

1535 (d) A statement that the limited liability company has
1536 been notified of the resignation in writing.

1537 605.0301 Power to bind limited liability company.—A person
1538 does not have the power to bind a limited liability company,
1539 except to the extent the person:

1540 (1) Is an agent of the company by virtue of s. 605.04074;

1541 (2) Has the authority to do so under the articles of
1542 organization or operating agreement of the company;

1543 (3) Has the authority to do so by a statement of authority
1544 filed under s. 605.0302; or

1545 (4) Has the status of an agent of the company or the
1546 authority or power to bind the company under a law other than
1547 this chapter.

1548 605.0302 Statement of authority.—

1549 (1) A limited liability company may file a statement of
1550 authority. The statement:

1551 (a) Must include the name of the company as it appears on
1552 the records of the department, and the street and mailing
1553 addresses of its principal office;

1554 (b) With respect to a specified status or position of a
1555 person in a company, whether as a member, transferee, manager,
1556 officer, or otherwise, may state the authority or limitations on
1557 the authority of all persons having such status or holding such
1558 position to:

1559 1. Execute an instrument transferring real property held
1560 in the name of the company; or

1561 2. Enter into other transactions on behalf of, or
1562 otherwise act for or bind, the company; and

1563 (c) May state the authority or limitations on the
1564 authority of a specific person to:

1565 1. Execute an instrument transferring real property held
1566 in the name of the company; or

1567 2. Enter into other transactions on behalf of, or
1568 otherwise act for or bind, the company.

1569 (2) To amend or cancel a statement of authority filed by
1570 the department, a limited liability company must deliver to the
1571 department for filing an amendment or cancellation stating the
1572 following:

1573 (a) The name of the company as it appears on the records
1574 of the department.

1575 (b) The street and mailing addresses of the limited
1576 liability company's principal office.

1577 (c) The date the statement being affected became
1578 effective.

1579 (d) The contents of the amendment or a declaration that
1580 the affected statement is canceled.

1581 (3) A statement of authority affects only the power of a
1582 person to bind a limited liability company to persons who are
1583 not members.

1584 (4) Subject to subsection (3) and s. 605.0103(4) and
1585 except as otherwise provided in subsections (6)-(8), a
1586 limitation on the authority of a person or a status or position
1587 contained in an effective statement of authority is not by
1588 itself evidence of knowledge or notice of the limitation.

1589 (5) Subject to subsection (3) and ss. 605.0407-605.04074,
1590 a grant of authority not pertaining to transfers of real
1591 property and contained in an effective statement of authority is
1592 conclusive in favor of a person who gives value in reliance on
1593 the grant, except to the extent that when the person gives
1594 value:

1595 (a) The person has knowledge to the contrary;

1596 (b) The statement has been canceled or restrictively

1597 amended under subsection (2); or

1598 (c) A limitation on the grant is contained in another
1599 statement of authority that became effective after the statement
1600 containing the grant became effective.

1601 (6) Subject to subsection (3), an effective statement of
1602 authority that grants authority to transfer real property held
1603 in the name of the limited liability company, a certified copy
1604 of which statement is recorded in the office for recording
1605 transfers of the real property, is conclusive in favor of a
1606 person who gives value in reliance on the grant without
1607 knowledge to the contrary, except to the extent that when the
1608 person gives value:

1609 (a) The statement has been canceled or restrictively
1610 amended under subsection (2) and a certified copy of the
1611 cancellation or restrictive amendment has been recorded in the
1612 office for recording transfers of the real property; or

1613 (b) A limitation on the grant is contained in another
1614 statement of authority that became effective after the statement
1615 containing the grant became effective and a certified copy of
1616 the later effective statement is recorded in the office for
1617 recording transfers of the real property.

1618 (7) Subject to subsection (3), if a certified copy of an
1619 effective statement of authority containing a limitation on the
1620 authority to transfer real property held in the name of a
1621 limited liability company is recorded in the office for
1622 recording transfers of that real property, all persons are
1623 deemed to know of the limitation.

1624 (8) Subject to subsection (9), effective articles of

1625 dissolution or termination effectuate a cancellation of a filed
1626 statement of authority for the purposes of subsection (6) and
1627 limit authority for the purposes of subsection (7).

1628 (9) After a company's articles of dissolution become
1629 effective, a limited liability company may deliver to the
1630 department for filing and, if appropriate, may record a
1631 statement of authority in accordance with subsection (1) which
1632 is designated as a post-dissolution statement of authority. The
1633 statement operates as provided in subsections (6) and (7).

1634 (10) Unless earlier canceled, an effective statement of
1635 authority is canceled by operation of law 5 years after the date
1636 on which the statement, or its most recent amendment, becomes
1637 effective. This cancellation operates without need for a
1638 recording under subsection (6) or subsection (7). An effective
1639 statement of denial operates as a restrictive amendment under
1640 this section and may be recorded by certified copy for the
1641 purposes of paragraph (6) (a).

1642 (11) A statement of dissociation or a statement of
1643 resignation filed pursuant to s. 605.0216 terminates the
1644 authority of the person who filed the statement.

1645 605.0303 Statement of denial.—A person who is named in a
1646 filed statement of authority granting that person authority may
1647 deliver to the department for filing a statement of denial
1648 signed by that person which:

1649 (1) Provides the name of the limited liability company and
1650 the caption of the statement of authority to which the statement
1651 of denial pertains; and

1652 (2) Denies the grant of authority.

1653 605.0304 Liability of members and managers.—

1654 (1) A debt, obligation, or other liability of a limited
1655 liability company is solely the debt, obligation, or other
1656 liability of the company. A member or manager is not personally
1657 liable, directly or indirectly, by way of contribution or
1658 otherwise, for a debt, obligation, or other liability of the
1659 company solely by reason of being or acting as a member or
1660 manager. This subsection applies regardless of the dissolution
1661 of the company.

1662 (2) The failure of a limited liability company to observe
1663 formalities relating to the exercise of its powers or management
1664 of its activities and affairs is not a ground for imposing
1665 liability on a member or manager of the company for a debt,
1666 obligation, or other liability of the company.

1667 (3) The limitation of liability in this section is in
1668 addition to the limitations of liability provided for in s.
1669 605.04093.

1670 605.0401 Becoming a member.—

1671 (1) If a limited liability company is to have only one
1672 member upon formation, the person becomes a member as agreed by
1673 that person and the authorized representative of the company.
1674 That person and the authorized representative may be, but need
1675 not be, different persons. If different persons, the authorized
1676 representative acts on behalf of the initial member.

1677 (2) If a limited liability company is to have more than
1678 one member upon formation, those persons become members as
1679 agreed by the persons before the formation of the company. The
1680 authorized representative acts on behalf of the persons in

1681 forming the company and may be, but need not be, one of the
1682 persons.

1683 (3) After formation of a limited liability company, a
1684 person becomes a member:

1685 (a) As provided in the operating agreement;

1686 (b) As the result of a merger, interest exchange
1687 conversion, or domestication under ss. 605.1001-605.1072, as
1688 applicable;

1689 (c) With the consent of all the members; or

1690 (d) As provided in s. 605.0701(3).

1691 (4) A person may become a member without acquiring a
1692 transferable interest and without making or being obligated to
1693 make a contribution to the limited liability company.

1694 605.0402 Form of contribution.—A contribution may consist
1695 of tangible or intangible property or other benefit to a limited
1696 liability company, including money, services performed,
1697 promissory notes, other agreements to contribute money or
1698 property, and contracts for services to be performed.

1699 605.0403 Liability for contributions.—

1700 (1) A promise by a person to contribute to the limited
1701 liability company is not enforceable unless it is set out in a
1702 writing signed by the person.

1703 (2) A person's obligation to make a contribution to a
1704 limited liability company is not excused by the person's death,
1705 disability, or other inability to perform personally.

1706 (3) If a person does not fulfill an obligation to make a
1707 contribution other than money, the person is obligated at the
1708 option of the limited liability company to contribute money

1709 equal to the value of the part of the contribution that has not
1710 been made. The foregoing option is in addition to and not in
1711 lieu of other rights, including the right to specific
1712 performance, that the limited liability company may have against
1713 the person under the articles of organization or operating
1714 agreement or applicable law.

1715 (4) The obligation of a person to make a contribution may
1716 be compromised only by consent of all members. If a creditor of
1717 a limited liability company extends credit or otherwise acts in
1718 reliance on an obligation described in subsection (1) without
1719 notice of a compromise under this subsection, the creditor may
1720 enforce the obligation.

1721 (5) An operating agreement may provide that the limited
1722 liability company interest of a member who fails to make a
1723 contribution that the member is obligated to make is subject to
1724 specified penalties for or specified consequences of the
1725 failure. The penalty or consequence may take the form of
1726 reducing or eliminating the defaulting member's proportionate
1727 interest in a limited liability company, subordinating the
1728 defaulting member's limited liability company interest to that
1729 of nondefaulting members, a forced sale of that limited
1730 liability company interest, forfeiture of the defaulting
1731 member's limited liability company interest, the lending by
1732 other members of the amount necessary to meet the defaulting
1733 member's commitment, a fixing of the value of the defaulting
1734 member's limited liability company interest by appraisal or by
1735 formula and redemption or sale of the defaulting member's
1736 limited liability company interest at such value, or other

1737 penalty or consequence.

1738 605.0404 Sharing of distributions before dissolution and
1739 profits and losses.—

1740 (1) Distributions made by a limited liability company
1741 before its dissolution and winding up must be shared by the
1742 members and persons dissociated as members on the basis of the
1743 agreed value, as stated in the company's records, of the
1744 contributions made by each of members and persons dissociated as
1745 members to the extent that the contributions have been received
1746 by the company, except to the extent necessary to comply with a
1747 transfer effective under s. 605.0502 or charging order in effect
1748 under s. 605.0503.

1749 (2) A person has a right to a distribution before the
1750 dissolution and winding up of a limited liability company only
1751 if the company decides to make an interim distribution. A
1752 person's dissociation does not entitle the person to a
1753 distribution.

1754 (3) A person does not have a right to demand or receive a
1755 distribution from a limited liability company in a form other
1756 than money. Except as otherwise provided in s. 605.0710(4), a
1757 limited liability company may distribute an asset in kind only
1758 if each part of the asset is fungible with each other part and
1759 each person receives a percentage of the asset equal in value to
1760 the person's share of distributions.

1761 (4) If a member or transferee becomes entitled to receive
1762 a distribution, the member or transferee has the status of and
1763 is entitled to all remedies available to a creditor of the
1764 limited liability company with respect to the distribution.

1765 (5) Profits and losses of a limited liability company must
1766 be allocated among the members and persons dissociated as
1767 members on the basis of the agreed value, as stated in the
1768 company's records, of the contributions made by each of the
1769 members and persons dissociated as members to the extent that
1770 the contributions have been received by the company.

1771 605.0405 Limitations on distributions.—

1772 (1) A limited liability company may not make a
1773 distribution, including a distribution under s. 605.0710, if
1774 after the distribution:

1775 (a) The company would not be able to pay its debts as they
1776 become due in the ordinary course of the company's activities
1777 and affairs; or

1778 (b) The company's total assets would be less than the sum
1779 of its total liabilities, plus the amount that would be needed
1780 if the company were to be dissolved and wound up at the time of
1781 the distribution, to satisfy the preferential rights upon
1782 dissolution and winding up of members and transferees whose
1783 preferential rights are superior to those of persons receiving
1784 the distribution.

1785 (2) A limited liability company may base a determination
1786 that a distribution is not prohibited under subsection (1) on:

1787 (a) Financial statements prepared on the basis of
1788 accounting practices and principles that are reasonable under
1789 the circumstances; or

1790 (b) A fair valuation or other method that is reasonable
1791 under the circumstances.

1792 (3) Except as otherwise provided in subsection (5), the

1793 effect of a distribution under subsection (1) is measured:

1794 (a) In the case of a distribution by purchase, redemption,
1795 or other acquisition of a transferable interest in the company,
1796 as of the earlier of the date on which:

1797 1. Money or other property is transferred or the debt is
1798 incurred by the company; and

1799 2. The person entitled to distribution ceases to own the
1800 interest or right being acquired by the company in return for
1801 the distribution.

1802 (b) In the case of a distribution of indebtedness, as of
1803 the date on which the indebtedness is distributed.

1804 (c) In all other cases, as of the date on which:

1805 1. The distribution is authorized if the payment occurs
1806 within 120 days after that date; or

1807 2. The payment is made if the payment occurs more than 120
1808 days after the distribution is authorized.

1809 (4) A limited liability company's indebtedness to a member
1810 or transferee incurred by reason of a distribution made in
1811 accordance with this section is at parity with the company's
1812 indebtedness to its general, unsecured creditors, except to the
1813 extent subordinated by agreement.

1814 (5) A limited liability company's indebtedness, including
1815 indebtedness issued as a distribution, is not a liability for
1816 purposes of subsection (1) if the terms of the indebtedness
1817 provide that payment of principal and interest is made only if
1818 and to the extent that a distribution could then be made under
1819 this section. If the indebtedness is issued as a distribution,
1820 and by its terms provides that the payments of principal and

1821 interest are made only to the extent a distribution could be
1822 made under this section, then each payment of principal or
1823 interest of that indebtedness is treated as a distribution, the
1824 effect of which is measured on the date the payment is actually
1825 made.

1826 (6) In measuring the effect of a distribution under s.
1827 605.0710, the liabilities of a dissolved limited liability
1828 company do not include a claim that is disposed of under ss.
1829 605.0710-605.0713.

1830 605.0406 Liability for improper distributions.-

1831 (1) Except as otherwise provided in subsection (2), if a
1832 member of a member-managed limited liability company or manager
1833 of a manager-managed limited liability company consents to a
1834 distribution made in violation of s. 605.0405 and, in consenting
1835 to the distribution, fails to comply with s. 605.04091, the
1836 member or manager is personally liable to the company for the
1837 amount of the distribution which exceeds the amount that could
1838 have been distributed without the violation of s. 605.0405.

1839 (2) To the extent the operating agreement of a member-
1840 managed limited liability company expressly relieves a member of
1841 the authority and responsibility to consent to distributions and
1842 imposes that authority and responsibility on one or more other
1843 members, the liability in subsection (1) applies to the other
1844 members and not the member that the operating agreement relieves
1845 of authority and responsibility.

1846 (3) A person who receives a distribution knowing that the
1847 distribution violated s. 605.0405 is personally liable to the
1848 limited liability company, but only to the extent that the

1849 distribution received by the person exceeded the amount that
1850 could have been properly paid under s. 605.0405.

1851 (4) A person against whom an action is commenced because
1852 that person is or may be liable under subsection (1) may:

1853 (a) Implead another person who is or may be liable under
1854 subsection (1) and seek to enforce a right of contribution from
1855 the person; or

1856 (b) Implead a person who received a distribution in
1857 violation of subsection (3) and seek to enforce a right of
1858 contribution from an impleaded person in the amount the person
1859 received in violation of subsection (3).

1860 (5) An action under this section is barred unless
1861 commenced within 2 years after the distribution.

1862 605.0407 Management of limited liability company.-

1863 (1) A limited liability company is a member-managed
1864 limited liability company unless the operating agreement or
1865 articles of organization:

1866 (a) Expressly provide that:

1867 1. The company is or will be manager-managed;

1868 2. The company is or will be managed by managers; or

1869 3. Management of the company is or will be vested in
1870 managers; or

1871 (b) Include words of similar import to those in
1872 subparagraphs (a)1.-3. except that, unless the context in which
1873 the expression is used otherwise requires, the terms "managing
1874 member" and "managing members" do not, in and of themselves,
1875 constitute words of similar import for this purpose.

1876 (2) In a member-managed limited liability company, the

1877 management and conduct of the company are vested in the members,
 1878 except as expressly provided in this chapter.

1879 (3) In a manager-managed limited liability company, a
 1880 matter relating to the activities and affairs of the company is
 1881 decided exclusively by the manager, or if there is more than one
 1882 manager, by the managers, except as expressly provided in this
 1883 chapter.

1884 (4) A member is not entitled to remuneration for services
 1885 performed for a member-managed limited liability company, except
 1886 for reasonable compensation for services rendered in winding up
 1887 the activities and affairs of the company, in the absence of an
 1888 agreement to the contrary.

1889 (5) A limited liability company shall reimburse a member
 1890 for an advance to the company beyond the amount of capital the
 1891 member agreed to contribute.

1892 (6) The dissolution of a limited liability company does
 1893 not affect the applicability of ss. 605.0407-605.04074. However,
 1894 a person who wrongfully causes dissolution of the company loses
 1895 the right to participate in management as a member and a
 1896 manager.

1897 605.04071 Delegation of rights and powers to manage.—A
 1898 member or manager of a limited liability company has the power
 1899 and authority to delegate to one or more other persons the
 1900 member's or manager's, as the case may be, rights and powers to
 1901 manage and control the business and affairs of the limited
 1902 liability company, including the power and authority to delegate
 1903 to agents, boards of managers, members, or directors, officers
 1904 and assistant officers, and employees of a member or manager of

1905 the limited liability company, and the power and authority to
1906 delegate by a management agreement or similar agreement with, or
1907 otherwise to other persons. The delegation by a member or
1908 manager will not cause the member or manager to cease to be a
1909 member or manager, as the case may be, of the limited liability
1910 company.

1911 605.04072 Selection and terms of managers in a manager-
1912 managed limited liability company.—In a manager-managed limited
1913 liability company, the following rules apply:

1914 (1) A manager may be chosen at any time by the consent of
1915 the member or members holding more than 50 percent of the then-
1916 current percentage or other interest in the profits of the
1917 limited liability company owned by all of its members.

1918 (2) A person need not be a member to be a manager.

1919 (3) A person chosen as a manager continues as a manager
1920 until a successor is chosen, unless the manager at an earlier
1921 time resigns, is removed, or dies or, in the case of a manager
1922 that is not an individual, terminates.

1923 (4) A manager may be removed at any time without notice or
1924 cause by the consent of the member or members holding more than
1925 50 percent of the then-current percentage or other interest in
1926 the profits of the limited liability company owned by all of its
1927 members.

1928 (5) The dissociation of a member who is also a manager
1929 removes the person as a manager.

1930 (6) If a person who is both a manager and a member ceases
1931 to be a manager, that cessation does not, by itself, dissociate
1932 the person as a member.

1933 (7) A person's ceasing to be a manager does not discharge
 1934 a debt, obligation, or other liability to the limited liability
 1935 company or members which the person incurred while a manager.

1936 605.04073 Voting rights of members and managers.—

1937 (1) In a member-managed limited liability company, the
 1938 following rules apply:

1939 (a) Each member has the right to vote with respect to the
 1940 management and conduct of the company's activities and affairs.

1941 (b) Each member's vote is proportionate to that member's
 1942 then-current percentage or other interest in the profits of the
 1943 limited liability company owned by all members.

1944 (c) Except as otherwise provided in this chapter, the
 1945 affirmative vote or consent of a majority-in-interest of the
 1946 members is required to undertake an act, whether within or
 1947 outside the ordinary course of the company's activities and
 1948 affairs, including a transaction under ss. 605.1001-605.1072.

1949 (d) The operating agreement and articles of organization
 1950 may be amended only with the affirmative vote or consent of all
 1951 members.

1952 (2) In a manager-managed limited liability company, the
 1953 following rules apply:

1954 (a) Each manager has equal rights in the management and
 1955 conduct of the company's activities and affairs.

1956 (b) Except as expressly provided in this chapter, a matter
 1957 relating to the activities and affairs of the company shall be
 1958 decided by the manager; if there is more than one manager, by
 1959 the affirmative vote or consent of a majority of the managers;
 1960 or if the action is taken without a meeting, by the managers'

1961 unanimous consent in a record.

1962 (c) Each member's vote is proportionate to that member's
1963 then-current percentage or other interest in the profits of the
1964 limited liability company owned by all members.

1965 (d) Except as otherwise provided in this chapter, the
1966 affirmative vote or consent of a majority-in-interest of the
1967 members is required to undertake an act outside the ordinary
1968 course of the company's activities and affairs, including a
1969 transaction under ss. 605.1001-605.1072.

1970 (e) The operating agreement and articles of organization
1971 may be amended only with the affirmative vote or consent of all
1972 members.

1973 (3) If a member has transferred all or a portion of the
1974 member's transferable interest in the limited liability company
1975 to a person who is not admitted as a member and if the
1976 transferring member has not been dissociated in accordance with
1977 s. 605.0602(5)(b), the transferring member continues to be
1978 entitled to vote on an action reserved to the members, with the
1979 vote of the transferring member being proportionate to the then-
1980 current percentage or other interest in the profits of the
1981 limited liability company owned by all members that the
1982 transferring member would have if the transfer had not occurred.

1983 (4) An action requiring the vote or consent of members
1984 under this chapter may be taken without a meeting, and a member
1985 may appoint a proxy or other agent to vote or consent for the
1986 member by signing an appointing record, personally or by the
1987 member's agent. On an action taken by fewer than all of the
1988 members without a meeting, notice of the action must be given to

1989 those members who did not consent in writing to the action or
 1990 who were not entitled to vote on the action within 10 days after
 1991 the action was taken.

1992 (5) An action requiring the vote or consent of managers
 1993 under this chapter may be taken without a meeting if the action
 1994 is unanimously approved by the managers in a record. A manager
 1995 may appoint a proxy or other agent to vote or consent for the
 1996 manager by signing an appointing record, personally or by the
 1997 manager's agent.

1998 (6) Meetings of members and meetings of managers may be
 1999 held by a conference telephone call or other communications
 2000 equipment if all persons participating in the meeting can hear
 2001 each other. Participation in a meeting pursuant to this
 2002 subsection constitutes presence in person at the meeting.

2003 605.04074 Agency rights of members and managers.-

2004 (1) In a member-managed limited liability company, the
 2005 following rules apply:

2006 (a) Except as provided in subsection (3), each member is
 2007 an agent of the limited liability company for the purpose of its
 2008 activities and affairs. An act of a member, including signing an
 2009 agreement or instrument of transfer in the name of the company
 2010 for apparently carrying on in the ordinary course of the
 2011 company's activities and affairs or activities and affairs of
 2012 the kind carried on by the company, binds the company unless the
 2013 member had no authority to act for the company in the particular
 2014 matter and the person with whom the member was dealing knew or
 2015 had notice that the member lacked authority.

2016 (b) An act of a member which is not done for apparently

2017 carrying on in the ordinary course of the limited liability
2018 company's activities and affairs or activities and affairs of
2019 the kind carried on by the company, binds the company only if
2020 the act was authorized by appropriate vote of the members.

2021 (2) In a manager-managed limited liability company, the
2022 following rules apply:

2023 (a) A member is not an agent of the limited liability
2024 company for the purpose of its business solely by reason of
2025 being a member.

2026 (b) Except as provided in subsection (3), each manager is
2027 an agent of the limited liability company for the purpose of its
2028 activities and affairs, and an act of a manager, including
2029 signing an agreement or instrument of transfer in the name of
2030 the company, for apparently carrying on in the ordinary course
2031 of the company's activities and affairs or activities and
2032 affairs of the kind carried on by the company, binds the company
2033 unless the manager had no authority to act for the company in
2034 the particular matter and the person with whom the manager was
2035 dealing knew or had notice that the manager lacked authority.

2036 (c) An act of a manager which is not apparently for
2037 carrying on in the ordinary course of the limited liability
2038 company's activities and affairs or activities and affairs of
2039 the kind carried on by the company, binds the company only if
2040 the act was authorized by appropriate vote of the members.

2041 (3) Unless a certified statement of authority recorded in
2042 the applicable real estate records limits the authority of a
2043 member or a manager, a member of a member-managed company or a
2044 manager of a manager-managed company may sign and deliver an

2045 instrument transferring or affecting the limited liability
2046 company's interest in real property. The instrument is
2047 conclusive in favor of a person who gives value without
2048 knowledge of the lack of the authority of the person signing and
2049 delivering the instrument.

2050 605.0408 Reimbursement, indemnification, advancement, and
2051 insurance.—

2052 (1) A limited liability company may reimburse a member of
2053 a member-managed company or a manager of a manager-managed
2054 company for any payment made by the member or manager in the
2055 course of the member's or manager's activities on behalf of the
2056 company if the member or manager complied with ss. 605.0407-
2057 605.04074, this section, and s. 605.04091 in making the payment.

2058 (2) A limited liability company may indemnify and hold
2059 harmless a person with respect to a claim or demand against the
2060 person and a debt, obligation, or other liability incurred by
2061 the person by reason of the person's former or present capacity
2062 as a member or manager if the claim, demand, debt, obligation,
2063 or other liability does not arise from the person's breach of s.
2064 605.0405, s. 605.0407, s. 605.04071, s. 605.04072, s. 605.04073,
2065 s. 605.04074, or s. 605.04091.

2066 (3) In the ordinary course of its activities and affairs,
2067 a limited liability company may advance reasonable expenses,
2068 including attorney fees and costs, incurred by a person in
2069 connection with a claim or demand against the person by reason
2070 of the person's former or present capacity as a member or
2071 manager if the person promises to repay the company in the event
2072 that the person ultimately is determined not to be entitled to

2073 | be indemnified under subsection (2).

2074 | (4) A limited liability company may purchase and maintain
 2075 | insurance on behalf of a member or manager of the company
 2076 | against liability asserted against or incurred by the member or
 2077 | manager in that capacity or arising from that status even if:

2078 | (a) Under s. 605.0105(3)(g) the operating agreement could
 2079 | not eliminate or limit the person's liability to the company for
 2080 | the conduct giving rise to the liability; and

2081 | (b) Under s. 605.0105(3)(p) the operating agreement could
 2082 | not provide for indemnification for the conduct giving rise to
 2083 | the liability.

2084 | 605.04091 Standards of conduct for members and managers.—

2085 | (1) Each manager of a manager-managed limited liability
 2086 | company and member of a member-managed limited liability company
 2087 | owes fiduciary duties of loyalty and care to the limited
 2088 | liability company and members of the limited liability company.

2089 | (2) The duty of loyalty is limited to:

2090 | (a) Accounting to the limited liability company and
 2091 | holding as trustee for it any property, profit, or benefit
 2092 | derived by the manager or member, as applicable:

2093 | 1. In the conduct or winding up of the company's
 2094 | activities and affairs;

2095 | 2. From the use by the member or manager of the company's
 2096 | property; or

2097 | 3. From the appropriation of a company opportunity;

2098 | (b) Refraining from dealing with the company in the
 2099 | conduct or winding up of the company's activities and affairs
 2100 | as, or on behalf of, a person having an interest adverse to the

2101 company, except to the extent that a transaction satisfies the
2102 requirements of this section; and

2103 (c) Refraining from competing with the company in the
2104 conduct of the company's activities and affairs before the
2105 dissolution of the company.

2106 (3) The duty of care in the conduct or winding up of the
2107 company's activities and affairs is limited to refraining from
2108 engaging in grossly negligent or reckless conduct, willful or
2109 intentional misconduct, or a knowing violation of law.

2110 (4) A manager of a manager-managed limited liability
2111 company and a member of a member-managed limited liability
2112 company shall discharge their duties and obligations under this
2113 chapter or under the operating agreement and exercise any rights
2114 consistently with the obligation of good faith and fair dealing.

2115 (5) A manager of a manager-managed limited liability
2116 company or a member of a member-managed limited liability
2117 company does not violate a duty or obligation under this chapter
2118 or under the operating agreement solely because the manager's or
2119 member's conduct furthers the manager's or member's own
2120 interest.

2121 (6) In discharging his, her, or its duties, a manager of a
2122 manager-managed limited liability company or a member of a
2123 member-managed limited liability company is entitled to rely on
2124 information, opinions, reports, or statements, including
2125 financial statements and other financial data, if prepared or
2126 presented by any of the following:

2127 (a) One or more members or employees of the limited
2128 liability company whom the manager or member reasonably believes

2129 to be reliable and competent in the matters presented.

2130 (b) Legal counsel, public accountants, or other persons as
2131 to matters the manager or member reasonably believes are within
2132 the persons' professional or expert competence.

2133 (c) A committee of managers or members of which the
2134 affected manager or member is not a participant, if the manager
2135 or member reasonably believes the committee merits confidence.

2136 (7) A manager or member, as applicable, is not acting in
2137 good faith if the manager or member has knowledge concerning the
2138 matter in question which makes reliance otherwise authorized
2139 under subsection (6) unwarranted.

2140 (8) In discharging his, her, or its duties, a manager of a
2141 manager-managed limited liability company or member of a member-
2142 managed limited liability company may consider factors that the
2143 manager or member deems relevant, including the long-term
2144 prospects and interests of the limited liability company and its
2145 members, and the social, economic, legal, or other effects of
2146 any action on the employees, suppliers, and customers of the
2147 limited liability company, the communities and society in which
2148 the limited liability company operates, and the economy of this
2149 state and the nation.

2150 (9) This section applies to a person winding up the
2151 limited liability company activities and affairs as the legal
2152 representative of the last surviving member as if such person
2153 were subject to this section.

2154 605.04092 Conflict of interest transactions.-

2155 (1) As used in this section, the following terms and
2156 definitions apply:

2157 (a) A member or manager is "indirectly" a party to a
2158 transaction if that member or manager has a material financial
2159 interest in or is a director, officer, member, manager, or
2160 partner of a person, other than the limited liability company,
2161 who is a party to the transaction.

2162 (b) A member or manager has an "indirect material
2163 financial interest" if a spouse or other family member has a
2164 material financial interest in the transaction, other than
2165 having an indirect interest as a member or manager of the
2166 limited liability company, or if the transaction is with an
2167 entity, other than the limited liability company, which has a
2168 material financial interest in the transaction and controls, or
2169 is controlled by, the member or manager or another person
2170 specified in this subsection.

2171 (c) "Fair to the limited liability company" means that the
2172 transaction, as a whole, is beneficial to the limited liability
2173 company and its members, taking into appropriate account whether
2174 it is:

2175 1. Fair in terms of the member's or manager's dealings
2176 with the limited liability company in connection with that
2177 transaction; and

2178 2. Comparable to what might have been obtainable in an
2179 arm's length transaction.

2180 (2) If the requirements of this section have been
2181 satisfied, a transaction between a limited liability company and
2182 one or more of its members or managers, or another entity in
2183 which one or more of the limited liability company's members or
2184 managers have a financial or other interest, is not void or

2185 voidable because of that relationship or interest; because the
2186 members or managers are present at the meeting of the members or
2187 managers at which the transaction was authorized, approved,
2188 effectuated, or ratified; or because the votes of the members or
2189 managers are counted for such purpose.

2190 (3) If a transaction is fair to the limited liability
2191 company at the time it is authorized, approved, effectuated, or
2192 ratified, the fact that a member or manager of the limited
2193 liability company is directly or indirectly a party to the
2194 transaction, other than being an indirect party as a result of
2195 being a member or manager of the limited liability company, or
2196 has a direct or indirect material financial interest or other
2197 interest in the transaction, other than having an indirect
2198 interest as a result of being a member or manager of the limited
2199 liability company, is not grounds for equitable relief and does
2200 not give rise to an award of damages or other sanctions.

2201 (4) (a) In a proceeding challenging the validity of a
2202 transaction described in subsection (3), the person challenging
2203 the validity has the burden of proving the lack of fairness of
2204 the transaction if:

2205 1. In a manager-managed limited liability company, the
2206 material facts of the transaction and the member's or manager's
2207 interest in the transaction were disclosed or known to the
2208 managers or a committee of managers who voted upon the
2209 transaction and the transaction was authorized, approved, or
2210 ratified by a majority of the disinterested managers even if the
2211 disinterested managers constitute less than a quorum; however,
2212 the transaction cannot be authorized, approved, or ratified

2213 under this subsection solely by a single manager; and
2214 2. In a member-managed limited liability company, or a
2215 manager-managed limited liability company in which the managers
2216 have failed to or cannot act under subparagraph 1., the material
2217 facts of the transaction and the member's or manager's interest
2218 in the transaction were disclosed or known to the members who
2219 voted upon such transaction and the transaction was authorized,
2220 approved, or ratified by a majority-in-interest of the
2221 disinterested members even if the disinterested members
2222 constitute less than a quorum; however, the transaction cannot
2223 be authorized, approved, or ratified under this subsection
2224 solely by a single member; or
2225 (b) If neither of the conditions provided in paragraph (a)
2226 has been satisfied, the person defending or asserting the
2227 validity of a transaction described in subsection (3) has the
2228 burden of proving its fairness in a proceeding challenging the
2229 validity of the transaction.
2230 (5) The presence of or a vote cast by a manager or member
2231 with an interest in the transaction does not affect the validity
2232 of an action taken under paragraph (4) (a) if the transaction is
2233 otherwise authorized, approved, or ratified as provided in that
2234 subsection, but the presence or vote of the manager or member
2235 may be counted for purposes of determining whether the
2236 transaction is approved under other sections of this chapter.
2237 (6) In addition to other grounds for challenge, a party
2238 challenging the validity of the transaction is not precluded
2239 from asserting and proving that a particular member or manager
2240 was not disinterested on grounds of financial or other interest

2241 for purposes of the vote on, consent to, or approval of the
 2242 transaction.

2243 605.04093 Limitation of liability of managers and
 2244 members.-

2245 (1) A manager in a manager-managed limited liability
 2246 company or a member in a member-managed limited liability
 2247 company is not personally liable for monetary damages to the
 2248 limited liability company, its members, or any other person for
 2249 any statement, vote, decision, or failure to act regarding
 2250 management or policy decisions by a manager in a manager-managed
 2251 limited liability company or a member in a member-managed
 2252 limited liability company unless:

2253 (a) The manager or member breached or failed to perform
 2254 the duties as a manager in a manager-managed limited liability
 2255 company or a member in a member-managed limited liability
 2256 company; and

2257 (b) The manager's or member's breach of, or failure to
 2258 perform, those duties constitutes any of the following:

2259 1. A violation of the criminal law unless the manager or
 2260 member had a reasonable cause to believe his, her, or its
 2261 conduct was lawful or had no reasonable cause to believe such
 2262 conduct was unlawful. A judgment or other final adjudication
 2263 against a manager or member in any criminal proceeding for a
 2264 violation of the criminal law estops that manager or member from
 2265 contesting the fact that such breach, or failure to perform,
 2266 constitutes a violation of the criminal law, but does not estop
 2267 the manager or member from establishing that he, she, or it had
 2268 reasonable cause to believe that his, her, or its conduct was

2269 lawful or had no reasonable cause to believe that such conduct
 2270 was unlawful.

2271 2. A transaction from which the manager or member derived
 2272 an improper personal benefit, directly or indirectly.

2273 3. A distribution in violation of s. 605.0406.

2274 4. In a proceeding by or in the right of the limited
 2275 liability company to procure a judgment in its favor or by or in
 2276 the right of a member, conscious disregard of the best interest
 2277 of the limited liability company, or willful misconduct.

2278 5. In a proceeding by or in the right of someone other
 2279 than the limited liability company or a member, recklessness or
 2280 an act or omission that was committed in bad faith or with
 2281 malicious purpose or in a manner exhibiting wanton and willful
 2282 disregard of human rights, safety, or property.

2283 (2) As used in this section, the term "recklessness" means
 2284 acting or failing to act in conscious disregard of a risk known,
 2285 or a risk so obvious that it should have been known, to the
 2286 manager in a manager-managed limited liability company or the
 2287 member in a member-managed limited liability company, and known
 2288 to the manager or member, or so obvious that it should have been
 2289 known, to be so great as to make it highly probable that harm
 2290 would follow from such action or failure to act.

2291 (3) A manager in a manager-managed limited liability
 2292 company or a member in a member-managed limited liability
 2293 company is deemed not to have derived an improper personal
 2294 benefit from any transaction if the transaction has been
 2295 approved in the manner as is provided in s. 605.04092 or is fair
 2296 to the limited liability company as defined in s.

2297 605.04092(1)(c).

2298 (4) The circumstances set forth in subsection (3) are not
 2299 exclusive and do not preclude the existence of other
 2300 circumstances under which a manager in a manager-managed limited
 2301 liability company or a member in a member-managed limited
 2302 liability company will be deemed not to have derived an improper
 2303 benefit.

2304 605.0410 Records to be kept; rights of member, manager,
 2305 and person dissociated to information.—

2306 (1) A limited liability company shall keep at its
 2307 principal office or another location the following records:

2308 (a) A current list of the full names and last known
 2309 business, residence, or mailing addresses of each member and
 2310 manager.

2311 (b) A copy of the then-effective operating agreement, if
 2312 made in a record, and all amendments thereto if made in a
 2313 record.

2314 (c) A copy of the articles of organization, articles of
 2315 merger, articles of interest exchange, articles of conversion,
 2316 and articles of domestication, and other documents and all
 2317 amendments thereto, concerning the limited liability company
 2318 which were filed with the department, together with executed
 2319 copies of any powers of attorney pursuant to which any articles
 2320 of organization or such other documents were executed.

2321 (d) Copies of the limited liability company's federal,
 2322 state, and local income tax returns and reports, if any, for the
 2323 3 most recent years.

2324 (e) Copies of the financial statements of the limited

2325 liability company, if any, for the 3 most recent years.

2326 (f) Unless contained in an operating agreement made in a
 2327 record, a record stating the amount of cash and a description
 2328 and statement of the agreed value of the property or other
 2329 benefits contributed and agreed to be contributed by each
 2330 member, and the times at which or occurrence of events upon
 2331 which additional contributions agreed to be made by each member
 2332 are to be made.

2333 (2) In a member-managed limited liability company, the
 2334 following rules apply:

2335 (a) Upon reasonable notice, a member may inspect and copy
 2336 during regular business hours, at a reasonable location
 2337 specified by the company:

2338 1. The records described in subsection (1); and

2339 2. Each other record maintained by the company regarding
 2340 the company's activities, affairs, financial condition, and
 2341 other circumstances, to the extent the information is material
 2342 to the member's rights and duties under the operating agreement
 2343 or this chapter.

2344 (b) The company shall furnish to each member:

2345 1. Without demand, any information concerning the
 2346 company's activities, affairs, financial condition, and other
 2347 circumstances that the company knows and are material to the
 2348 proper exercise of the member's rights and duties under the
 2349 operating agreement or this chapter, except to the extent the
 2350 company can establish that it reasonably believes the member
 2351 already knows the information; and

2352 2. On demand, other information concerning the company's

2353 activities, affairs, financial condition, and other
2354 circumstances, except to the extent the demand or information
2355 demanded is unreasonable or otherwise improper under the
2356 circumstances.

2357 (c) The duty to furnish information under this subsection
2358 also applies to each member to the extent the member knows any
2359 of the information described in this subsection.

2360 (3) In a manager-managed limited liability company, the
2361 following rules apply:

2362 (a) The informational rights stated in subsection (2) and
2363 the duty stated in paragraph (2) (c) apply to the managers and
2364 not to the members.

2365 (b) During regular business hours and at a reasonable
2366 location specified by the company, a member may inspect and
2367 copy:

2368 1. The records described in subsection (1); and

2369 2. Full information regarding the activities, affairs,
2370 financial condition, and other circumstances of the company as
2371 is just and reasonable if:

2372 a. The member seeks the information for a purpose
2373 reasonably related to the member's interest as a member; or

2374 b. The member makes a demand in a record received by the
2375 company, describing with reasonable particularity the
2376 information sought and the purpose for seeking the information,
2377 and if the information sought is directly connected to the
2378 member's purpose.

2379 (c) Within 10 days after receiving a demand pursuant to
2380 subparagraph (2) (b) 2., the company shall, in a record, inform

2381 the member who made the demand of:

2382 1. The information that the company will provide in
2383 response to the demand and when and where the company will
2384 provide the information; and

2385 2. The company's reasons for declining, if the company
2386 declines to provide any demanded information.

2387 (d) If this chapter or an operating agreement provides for
2388 a member to give or withhold consent to a matter, before the
2389 consent is given or withheld, the company shall, without demand,
2390 provide the member with all information that is known to the
2391 company and is material to the member's decision.

2392 (4) Subject to subsection (9), on 10 days' demand made in
2393 a record received by a limited liability company, a person
2394 dissociated as a member may have access to information to which
2395 the person was entitled while a member if:

2396 (a) The information pertains to the period during which
2397 the person was a member;

2398 (b) The person seeks the information in good faith; and

2399 (c) The person satisfies the requirements imposed on a
2400 member by paragraph (3) (b).

2401 (5) A limited liability company shall respond to a demand
2402 made pursuant to subsection (4) in the manner provided in
2403 paragraph (3) (c).

2404 (6) A limited liability company may charge a person who
2405 makes a demand under this section the reasonable costs of
2406 copying, which costs are limited to the costs of labor and
2407 materials.

2408 (7) A member or person dissociated as a member may

2409 exercise rights under this section through an agent or, in the
2410 case of an individual under legal disability or an entity that
2411 is dissolved or its existence terminated, through a legal
2412 representative. A restriction or condition imposed by the
2413 operating agreement or under subsection (10) applies both to the
2414 agent or legal representative and the member or person
2415 dissociated as a member.

2416 (8) Subject to subsection (9), the rights under this
2417 section do not extend to a person as transferee.

2418 (9) If a member dies, s. 605.0504 applies.

2419 (10) In addition to a restriction or condition stated in
2420 the operating agreement, a limited liability company, as a
2421 matter within the ordinary course of its activities and affairs,
2422 may impose reasonable restrictions and conditions on access to
2423 and use of information to be furnished under this section,
2424 including designating information confidential and imposing
2425 nondisclosure and safeguarding obligations on the recipient. In
2426 a dispute concerning the reasonableness of a restriction under
2427 this subsection, the company has the burden of proving
2428 reasonableness. This subsection does not apply to the request by
2429 a member for the records described in subsection (1).

2430 605.0411 Court-ordered inspection.—

2431 (1) If a limited liability company does not allow a
2432 member, manager, or other person who complies with s.
2433 605.0410(2)(a), (3)(a), (3)(b), or (4), as applicable, to
2434 inspect and copy any records required by that section to be
2435 available for inspection, the circuit court in the county where
2436 the limited liability company's principal office is or was last

2437 located, as shown by the records of the department or, if there
2438 is no principal office in this state, where its registered
2439 office is or was last located, may summarily order inspection
2440 and copying of the records demanded, at the limited liability
2441 company's expense, upon application of the member, manager, or
2442 other person.

2443 (2) If the court orders inspection or copying of the
2444 records demanded, it shall also order the limited liability
2445 company to pay the costs, including reasonable attorney fees,
2446 reasonably incurred by the member, manager, or other person
2447 seeking the records to obtain the order and enforce its rights
2448 under this section unless the limited liability company proves
2449 that it refused inspection in good faith because the company had
2450 a reasonable basis for doubt about the right of the member,
2451 manager, or such other person to inspect or copy the records
2452 demanded.

2453 (3) If the court orders inspection or copying of the
2454 records demanded, it may impose reasonable restrictions on the
2455 use or distribution of the records by the member, manager, or
2456 other person demanding such records.

2457 605.0501 Nature of transferable interest.—A transferable
2458 interest is personal property.

2459 605.0502 Transfer of transferable interest.—

2460 (1) Subject to s. 605.0503, a transfer, in whole or in
2461 part, of a transferable interest:

2462 (a) Is permissible;

2463 (b) Does not by itself cause a member's dissociation or a
2464 dissolution and winding up of the limited liability company's

2465 activities and affairs; and

2466 (c) Does not entitle the transferee to:

2467 1. Participate in the management or conduct of the
2468 company's activities and affairs; or

2469 2. Except as otherwise provided in subsection (3), have
2470 access to records or other information concerning the company's
2471 activities and affairs.

2472 (2) A transferee has the right to receive, in accordance
2473 with the transfer, distributions to which the transferor would
2474 otherwise be entitled.

2475 (3) In a dissolution and winding up of a limited liability
2476 company, a transferee is entitled to an account of the company's
2477 transactions only from the date of dissolution.

2478 (4) A transferable interest may be evidenced by a
2479 certificate of the interest issued by the limited liability
2480 company in a record, and, subject to this section, the interest
2481 represented by the certificate may be transferred by a transfer
2482 of the certificate.

2483 (5) A limited liability company need not give effect to a
2484 transferee's rights under this section until the company knows
2485 or has notice of the transfer.

2486 (6) A transfer of a transferable interest in violation of
2487 a restriction on transfer contained in the operating agreement
2488 is ineffective as to a person who has knowledge or notice of the
2489 restriction at the time of transfer.

2490 (7) Except as otherwise provided in s. 605.0602(5)(b), if
2491 a member transfers a transferable interest, the transferor
2492 retains the rights of a member other than the transferable

2493 interest transferred and retains all the duties and obligations
2494 of a member.

2495 (8) If a member transfers a transferable interest to a
2496 person who becomes a member with respect to the transferred
2497 interest, the transferee is liable for the member's obligations
2498 under ss. 605.0403 and 605.0406(3) which are known to the
2499 transferee at the time the transferee becomes a member.

2500 605.0503 Charging order.—

2501 (1) On application to a court of competent jurisdiction by
2502 a judgment creditor of a member or a transferee, the court may
2503 enter a charging order against the transferable interest of the
2504 member or transferee for payment of the unsatisfied amount of
2505 the judgment with interest. Except as provided in subsection
2506 (5), a charging order constitutes a lien upon a judgment
2507 debtor's transferable interest and requires the limited
2508 liability company to pay over to the judgment creditor a
2509 distribution that would otherwise be paid to the judgment
2510 debtor.

2511 (2) This chapter does not deprive a member or transferee
2512 of the benefit of any exemption law applicable to the
2513 transferable interest of the member or transferee.

2514 (3) Except as provided in subsections (4) and (5), a
2515 charging order is the sole and exclusive remedy by which a
2516 judgment creditor of a member or member's transferee may satisfy
2517 a judgment from the judgment debtor's interest in a limited
2518 liability company or rights to distributions from the limited
2519 liability company.

2520 (4) In the case of a limited liability company that has

2521 only one member, if a judgment creditor of a member or member's
2522 transferee establishes to the satisfaction of a court of
2523 competent jurisdiction that distributions under a charging order
2524 will not satisfy the judgment within a reasonable time, a
2525 charging order is not the sole and exclusive remedy by which the
2526 judgment creditor may satisfy the judgment against a judgment
2527 debtor who is the sole member of a limited liability company or
2528 the transferee of the sole member, and upon such showing, the
2529 court may order the sale of that interest in the limited
2530 liability company pursuant to a foreclosure sale. A judgment
2531 creditor may make a showing to the court that distributions
2532 under a charging order will not satisfy the judgment within a
2533 reasonable time at any time after the entry of the judgment and
2534 may do so at the same time that the judgment creditor applies
2535 for the entry of a charging order.

2536 (5) If a limited liability company has only one member and
2537 the court orders a foreclosure sale of a judgment debtor's
2538 interest in the limited liability company or of a charging order
2539 lien against the sole member of the limited liability company
2540 pursuant to subsection (4):

2541 (a) The purchaser at the court-ordered foreclosure sale
2542 obtains the member's entire limited liability company interest,
2543 not merely the rights of a transferee;

2544 (b) The purchaser at the sale becomes the member of the
2545 limited liability company; and

2546 (c) The person whose limited liability company interest is
2547 sold pursuant to the foreclosure sale or is the subject of the
2548 foreclosed charging order ceases to be a member of the limited

2549 liability company.

2550 (6) In the case of a limited liability company that has
2551 more than one member, the remedy of foreclosure on a judgment
2552 debtor's interest in the limited liability company or against
2553 rights to distribution from the limited liability company is not
2554 available to a judgment creditor attempting to satisfy the
2555 judgment and may not be ordered by a court.

2556 (7) This section does not limit any of the following:

2557 (a) The rights of a creditor who has been granted a
2558 consensual security interest in a limited liability company
2559 interest to pursue the remedies available to the secured
2560 creditor under other law applicable to secured creditors.

2561 (b) The principles of law and equity which affect
2562 fraudulent transfers.

2563 (c) The availability of the equitable principles of alter
2564 ego, equitable lien, or constructive trust or other equitable
2565 principles not inconsistent with this section.

2566 (d) The continuing jurisdiction of the court to enforce
2567 its charging order in a manner consistent with this section.

2568 605.0504 Power of legal representative.—If a member who is
2569 an individual dies or a court of competent jurisdiction adjudges
2570 the member to be incompetent to manage the member's person or
2571 property, the member's legal representative may exercise all of
2572 the member's rights for the purpose of settling the member's
2573 estate or administering the member's property, including any
2574 power the member had to give a transferee the right to become a
2575 member. If a member is a corporation, trust, or other entity and
2576 is dissolved or terminated, the powers of that member may be

2577 | exercised by its legal representative.

2578 | 605.0601 Power to dissociate as member; wrongful
 2579 | dissociation.—

2580 | (1) A person has the power to dissociate as a member at
 2581 | any time, rightfully or wrongfully, by withdrawing as a member
 2582 | by express will under s. 605.0602(1).

2583 | (2) A person's dissociation as a member is wrongful only
 2584 | if the dissociation:

2585 | (a) Is in breach of an express provision of the operating
 2586 | agreement; or

2587 | (b) Occurs before completion of the winding up of the
 2588 | company, and:

2589 | 1. The person withdraws as a member by express will;

2590 | 2. The person is expelled as a member by judicial order
 2591 | under s. 605.0602(6);

2592 | 3. The person is dissociated under s. 605.0602(8); or

2593 | 4. In the case of a person that is not a trust other than
 2594 | a business trust, an estate, or an individual, the person is
 2595 | expelled or otherwise dissociated as a member because it
 2596 | willfully dissolved or terminated.

2597 | (3) A person who wrongfully dissociates as a member is
 2598 | liable to the limited liability company and, subject to s.
 2599 | 605.0801, to the other members for damages caused by the
 2600 | dissociation. The liability is in addition to each debt,
 2601 | obligation, or other liability of the member to the company or
 2602 | the other members.

2603 | (4) Notwithstanding anything to the contrary under
 2604 | applicable law, the articles of organization or operating

2605 agreement may provide that a limited liability company interest
2606 may not be assigned before the dissolution and winding up of the
2607 limited liability company.

2608 605.0602 Events causing dissociation.—A person is
2609 dissociated as a member if any of the following occur:

2610 (1) The company has notice of the person's express will to
2611 withdraw as a member, but if the person specified a withdrawal
2612 date later than the date the company had notice, on that later
2613 date.

2614 (2) An event stated in the operating agreement as causing
2615 the person's dissociation occurs.

2616 (3) The person's entire interest is transferred in a
2617 foreclosure sale under s. 605.0503(5).

2618 (4) The person is expelled as a member pursuant to the
2619 operating agreement.

2620 (5) The person is expelled as a member by the unanimous
2621 consent of the other members if any of the following occur:

2622 (a) It is unlawful to carry on the company's activities
2623 and affairs with the person as a member.

2624 (b) There has been a transfer of the person's entire
2625 transferable interest in the company other than:

2626 1. A transfer for security purposes; or

2627 2. A charging order in effect under s. 605.0503 which has
2628 not been foreclosed.

2629 (c) The person is a corporation and:

2630 1. The company notifies the person that it will be
2631 expelled as a member because the person has filed articles or a
2632 certificate of dissolution or the equivalent, the person has

2633 been administratively dissolved, its charter or equivalent has
2634 been revoked, or the person's right to conduct business has been
2635 suspended by the person's jurisdiction of its formation; and

2636 2. Within 90 days after the notification, the articles or
2637 certificate of dissolution or the equivalent has not been
2638 revoked or its charter or right to conduct business has not been
2639 reinstated.

2640 (d) The person is an unincorporated entity that has been
2641 dissolved and whose business is being wound up.

2642 (6) On application by the company or a member in a direct
2643 action under s. 605.0801, the person is expelled as a member by
2644 judicial order because the person:

2645 (a) Has engaged or is engaging in wrongful conduct that
2646 has affected adversely and materially, or will affect adversely
2647 and materially, the company's activities and affairs;

2648 (b) Has committed willfully or persistently, or is
2649 committing willfully and persistently, a material breach of the
2650 operating agreement or a duty or obligation under s. 605.04091;
2651 or

2652 (c) Has engaged or is engaging in conduct relating to the
2653 company's activities and affairs which makes it not reasonably
2654 practicable to carry on the activities and affairs with the
2655 person as a member.

2656 (7) In the case of an individual:

2657 (a) The individual dies; or

2658 (b) In a member-managed limited liability company:

2659 1. A guardian or general conservator for the individual is
2660 appointed; or

2661 2. There is a judicial order that the individual has
2662 otherwise become incapable of performing the individual's duties
2663 as a member under this chapter or the operating agreement.

2664 (8) In a member-managed limited liability company, the
2665 person:

2666 (a) Becomes a debtor in bankruptcy;

2667 (b) Executes an assignment for the benefit of creditors;

2668 or

2669 (c) Seeks, consents to, or acquiesces in the appointment
2670 of a trustee, receiver, or liquidator of the person or of all or
2671 substantially all the person's property.

2672 (9) In the case of a person that is a testamentary or
2673 inter vivos trust or is acting as a member by virtue of being a
2674 trustee of such a trust, the trust's entire transferable
2675 interest in the company is distributed.

2676 (10) In the case of a person that is an estate or is
2677 acting as a member by virtue of being a legal representative of
2678 an estate, the estate's entire transferable interest in the
2679 company is distributed.

2680 (11) In the case of a person that is not an individual,
2681 the existence of the person terminates.

2682 (12) The company participates in a merger under ss.
2683 605.1021-605.1026 and:

2684 (a) The company is not the surviving entity; or

2685 (b) Otherwise as a result of the merger, the person ceases
2686 to be a member.

2687 (13) The company participates in an interest exchange
2688 under ss. 605.1031-605.1036, and the person ceases to be a

2689 member.

2690 (14) The company participates in a conversion under ss.
2691 605.1041-605.1046, and the person ceases to be member.

2692 (15) The company dissolves and completes winding up.
2693 605.0603 Effect of dissociation.—

2694 (1) If a person is dissociated as a member:

2695 (a) The person's right to participate as a member in the
2696 management and conduct of the company's activities and affairs
2697 terminates;

2698 (b) If the company is member-managed, the person's duties
2699 and obligations under s. 605.04091 as a member end with regard
2700 to matters arising and events occurring after the person's
2701 dissociation; and

2702 (c) Subject to s. 605.0504 and ss. 605.1001-605.1072, a
2703 transferable interest owned by the person in the person's
2704 capacity immediately before dissociation as a member is owned by
2705 the person solely as a transferee.

2706 (2) A person's dissociation as a member does not, of
2707 itself, discharge the person from a debt, obligation, or other
2708 liability to the company or the other members which the person
2709 incurred while a member.

2710 605.0701 Events causing dissolution.—A limited liability
2711 company is dissolved and its activities and affairs must be
2712 wound up upon the occurrence of the following:

2713 (1) An event or circumstance that the operating agreement
2714 states causes dissolution.

2715 (2) The consent of all the members.

2716 (3) The passage of 90 consecutive days during which the

2717 company has no members, unless:

2718 (a) Consent to admit at least one specified person as a
2719 member is given by transferees owning the rights to receive a
2720 majority of distributions as transferees at the time the consent
2721 is to be effective; and

2722 (b) At least one person becomes a member in accordance
2723 with the consent.

2724 (4) The entry of a decree of judicial dissolution in
2725 accordance with s. 605.0705.

2726 (5) The filing of a statement of administrative
2727 dissolution by the department pursuant to s. 605.0714.

2728 605.0702 Grounds for judicial dissolution.—

2729 (1) A circuit court may dissolve a limited liability
2730 company:

2731 (a) In a proceeding by the Department of Legal Affairs if
2732 it is established that:

2733 1. The limited liability company obtained its articles of
2734 organization through fraud; or

2735 2. The limited liability company has continued to exceed
2736 or abuse the authority conferred upon it by law.

2737
2738 The enumeration in subparagraphs 1. and 2. of grounds for
2739 involuntary dissolution does not exclude actions or special
2740 proceedings by the Department of Legal Affairs or a state
2741 official for the annulment or dissolution of a limited liability
2742 company for other causes as provided in another law of this
2743 state.

2744 (b) In a proceeding by a manager or member if it is

2745 established that:

2746 1. The conduct of all or substantially all of the
2747 company's activities and affairs is unlawful;

2748 2. It is not reasonably practicable to carry on the
2749 company's activities and affairs in conformity with the articles
2750 of organization and the operating agreement;

2751 3. The managers or members in control of the company have
2752 acted, are acting, or are reasonably expected to act in a manner
2753 that is illegal or fraudulent;

2754 4. The limited liability company's assets are being
2755 misappropriated or wasted, causing injury to the limited
2756 liability company, or in a proceeding by a member, causing
2757 injury to one or more of its members; or

2758 5. The managers or the members of the limited liability
2759 company are deadlocked in the management of the limited
2760 liability company's activities and affairs, the members are
2761 unable to break the deadlock, and irreparable injury to the
2762 limited liability company is threatened or being suffered.

2763 (c) In a proceeding by the limited liability company to
2764 have its voluntary dissolution continued under court
2765 supervision.

2766 (2) If the managers or the members of the limited
2767 liability company are deadlocked in the management of the
2768 limited liability company's activities and affairs, the members
2769 are unable to break the deadlock, and irreparable injury to the
2770 limited liability company is threatened or being suffered, if
2771 the operating agreement contains a deadlock sale provision that
2772 has been initiated before the time that the court determines

2773 that the grounds for judicial dissolution exist under
2774 subparagraph (1)(b)5., then such deadlock sale provision applies
2775 to the resolution of such deadlock instead of the court entering
2776 an order of judicial dissolution or an order directing the
2777 purchase of petitioner's interest under s. 605.0706, so long as
2778 the provisions of such deadlock sale provision are thereafter
2779 initiated and effectuated in accordance with the terms of such
2780 deadlock sale provision or otherwise pursuant to an agreement of
2781 the members of the company. As used in this section, the term
2782 "deadlock sale provision" means a provision in an operating
2783 agreement which is or may be applicable in the event of a
2784 deadlock among the managers or the members of the limited
2785 liability company which the members of the company are unable to
2786 break and which provides for a deadlock breaking mechanism,
2787 including, but not limited to: a purchase and sale of interests
2788 or a governance change, among or between members; the sale of
2789 all or substantially all of the assets of the company; or a
2790 similar provision that, if initiated and effectuated, breaks the
2791 deadlock by causing the transfer of interests, a governance
2792 change, or the sale of all or substantially all of the company's
2793 assets. A deadlock sale provision in an operating agreement
2794 which is not initiated and effectuated before the court enters
2795 an order of judicial dissolution under subparagraph (1)(b)5. or
2796 an order directing the purchase of petitioner's interest under
2797 s. 605.0706 does not adversely affect the rights of members and
2798 managers to seek judicial dissolution under subparagraph
2799 (1)(b)5. or the rights of the company or one or more members to
2800 purchase the petitioner's interest under s. 605.0706. The filing

2801 of an action for judicial dissolution on the grounds described
2802 in subparagraph (1)(b)5. or an election to purchase the
2803 petitioner's interest under s. 605.0706 does not adversely
2804 affect the right of a member to initiate an available deadlock
2805 sale provision under the operating agreement or to enforce a
2806 member-initiated or an automatically-initiated deadlock sale
2807 provision if the deadlock sale provision is initiated and
2808 effectuated before the court enters an order of judicial
2809 dissolution under subparagraph (1)(b)5. or an order directing
2810 the purchase of petitioner's interest under s. 605.0706.

2811 605.0703 Procedure for judicial dissolution; alternative
2812 remedies.—

2813 (1) Venue for a proceeding brought under s. 605.0702 lies
2814 in the circuit court of the county where the limited liability
2815 company's principal office is or was last located, as shown by
2816 the records of the department, or, if there is or was no
2817 principal office in this state, in the circuit court of the
2818 county where the company's registered office is or was last
2819 located.

2820 (2) It is not necessary to make members parties to a
2821 proceeding to dissolve a limited liability company unless relief
2822 is sought against such members individually.

2823 (3) A court in a proceeding brought to dissolve a limited
2824 liability company may issue injunctions, appoint a receiver or
2825 custodian pendente lite with all powers and duties the court
2826 directs, take other action required to preserve the limited
2827 liability company's assets wherever located, and carry on the
2828 business of the limited liability company until a full hearing

2829 can be held.

2830 (4) In a proceeding brought under s. 605.0702, the court
2831 may, upon a showing of sufficient merit to warrant such a
2832 remedy:

2833 (a) Appoint a receiver or custodian under s. 605.0704;

2834 (b) Order a purchase of a petitioning member's interest
2835 pursuant to s. 605.0706; or

2836 (c) Upon a showing of good cause, order another remedy the
2837 court deems appropriate in its discretion, including an
2838 equitable remedy.

2839 (5) Section 57.105 applies to a proceeding brought under
2840 s. 605.0702.

2841 605.0704 Receivership or custodianship.—

2842 (1) A court in a judicial proceeding brought to dissolve a
2843 limited liability company may appoint one or more receivers to
2844 wind up and liquidate or one or more custodians to manage the
2845 business and affairs of the limited liability company. The court
2846 shall hold a hearing, after notifying all parties to the
2847 proceeding and an interested person designated by the court,
2848 before appointing a receiver or custodian. The court appointing
2849 a receiver or custodian has exclusive jurisdiction over the
2850 limited liability company and all of its property, wherever
2851 located.

2852 (2) The court may appoint a person authorized to act as a
2853 receiver or custodian. The court may require the receiver or
2854 custodian to post bond, with or without sureties, in an amount
2855 the court directs.

2856 (3) The court shall describe the powers and duties of the

2857 receiver or custodian in its appointing order, which may be
2858 amended. Among other powers:

2859 (a) The receiver :

2860 1. May dispose of all or a part of the assets of the
2861 limited liability company wherever located, at a public or
2862 private sale, if authorized by the court; and

2863 2. May sue and defend in the receiver's own name, as
2864 receiver of the limited liability company, in all courts of this
2865 state; and

2866 (b) The custodian may exercise all of the powers of the
2867 limited liability company, through or in place of its managers
2868 or members, to the extent necessary to manage the activities and
2869 affairs of the limited liability company in the best interest of
2870 its members and creditors.

2871 (4) During a receivership, the court may redesignate the
2872 receiver as a custodian and, during a custodianship, may
2873 redesignate the custodian as a receiver if doing so is in the
2874 best interests of the limited liability company and its members
2875 and creditors.

2876 (5) During the receivership or custodianship the court may
2877 order compensation paid and expense disbursements or
2878 reimbursements made to the receiver or custodian and the
2879 receiver's or custodian's counsel from the assets of the limited
2880 liability company or proceeds from the sale of part or all of
2881 those assets.

2882 (6) The court has jurisdiction to appoint an ancillary
2883 receiver for the assets and business of a limited liability
2884 company. The ancillary receiver shall serve ancillary to a

2885 receiver located in another state if the court deems that
 2886 circumstances exist requiring the appointment of such a
 2887 receiver. The court may appoint a receiver for a foreign limited
 2888 liability company even though a receiver has not been appointed
 2889 elsewhere. The receivership shall be converted into an ancillary
 2890 receivership if an order entered by a court of competent
 2891 jurisdiction in the other state provides for a receivership of
 2892 the foreign limited liability company.

2893 605.0705 Decree of dissolution.—

2894 (1) If, after a hearing, the court determines that one or
 2895 more grounds for judicial dissolution described in s. 605.0702
 2896 exist, the court may enter a decree dissolving the limited
 2897 liability company and specifying the effective date of the
 2898 dissolution, and the clerk of the court shall deliver a
 2899 certified copy of the decree to the department, which shall file
 2900 the decree.

2901 (2) After entering the decree of dissolution, the court
 2902 shall direct the winding up and liquidation of the limited
 2903 liability company's activities and affairs in accordance with
 2904 ss. 605.0709-605.0713, subject to subsection (3).

2905 (3) In a proceeding for judicial dissolution, the court
 2906 may require all creditors of the limited liability company to
 2907 file with the clerk of the court or with the receiver, in a form
 2908 as the court may prescribe, proofs under oath of their
 2909 respective claims. If the court requires the filing of claims,
 2910 the court shall fix a date, which may not be earlier than 4
 2911 months after the date of the order, as the last day for filing
 2912 claims. The court shall prescribe the deadline for filing claims

2913 which shall be given to creditors and claimants. Before the date
 2914 so fixed, the court may extend the time for the filing of claims
 2915 by court order. Creditors and claimants failing to file proofs
 2916 of claim on or before the date so fixed may be barred, by order
 2917 of court, from participating in the distribution of the assets
 2918 of the limited liability company. This section does not affect
 2919 the enforceability of a recorded mortgage or lien or the
 2920 perfected security interest or rights of a person in possession
 2921 of real or personal property.

2922 605.0706 Election to purchase instead of dissolution.-

2923 (1) In a proceeding initiated by a member of a limited
 2924 liability company under s. 605.0702(1)(b) to dissolve the
 2925 company, the company may elect, or, if it fails to elect, one or
 2926 more other members may elect, to purchase the entire interest of
 2927 the petitioner in the company at the fair value of the interest.
 2928 An election pursuant to this section is irrevocable unless the
 2929 court determines that it is equitable to set aside or modify the
 2930 election.

2931 (2) An election to purchase pursuant to this section may
 2932 be filed with the court within 90 days after the filing of the
 2933 petition by the petitioning member under s. 605.0702(1)(b) or
 2934 (2) or at such later time as the court may allow. If the
 2935 election to purchase is filed, the company shall within 10 days
 2936 thereafter give written notice to all members, other than the
 2937 petitioning member. The notice must describe the interest in the
 2938 company owned by each petitioning member and must advise the
 2939 recipients of their right to join in the election to purchase
 2940 the petitioning member's interest in accordance with this

2941 section. Members who wish to participate must file notice of
2942 their intention to join in the purchase within 30 days after the
2943 effective date of the notice. A member who has filed an election
2944 or notice of the intent to participate in the election to
2945 purchase thereby becomes a party to the proceeding and shall
2946 participate in the purchase in proportion to the ownership
2947 interest as of the date the first election was filed unless the
2948 members otherwise agree or the court otherwise directs. After an
2949 election to purchase has been filed by the limited liability
2950 company or one or more members, the proceeding under s.
2951 605.0702(1)(b) or (2) may not be discontinued or settled, and
2952 the petitioning member may not sell or otherwise dispose of the
2953 interest of the petitioner in the company unless the court
2954 determines that it would be equitable to the company and the
2955 members, other than the petitioner, to authorize such
2956 discontinuance, settlement, sale, or other disposition or the
2957 sale is pursuant to a deadlock sale provision described in s.
2958 605.0702(1)(b).

2959 (3) If, within 60 days after the filing of the first
2960 election, the parties reach an agreement as to the fair value
2961 and terms of the purchase of the petitioner's interest, the
2962 court shall enter an order directing the purchase of the
2963 petitioner's interest upon the terms and conditions agreed to by
2964 the parties, unless the petitioner's interest has been acquired
2965 pursuant to a deadlock sale provision before the order.

2966 (4) If the parties are unable to reach an agreement as
2967 provided for in subsection (3), the court, upon application of a
2968 party, shall stay the proceedings and determine the fair value

2969 of the petitioner's interest as of the day before the date on
2970 which the petition was filed or as of such other date as the
2971 court deems appropriate under the circumstances.

2972 (5) Upon determining the fair value of the petitioner's
2973 interest in the company, unless the petitioner's interest has
2974 been acquired pursuant to a deadlock sale provision before the
2975 order, the court shall enter an order directing the purchase
2976 upon such terms and conditions as the court deems appropriate,
2977 which may include: payment of the purchase price in
2978 installments, when necessary in the interests of equity; a
2979 provision for security to ensure payment of the purchase price
2980 and additional costs, fees, and expenses as may have been
2981 awarded; and, if the interest is to be purchased by members, the
2982 allocation of the interest among those members. In allocating
2983 petitioner's interest among holders of different classes or
2984 series of interests in the company, the court shall attempt to
2985 preserve the existing distribution of voting rights among
2986 holders of different classes insofar as practicable and may
2987 direct that holders of a specific class or classes or series not
2988 participate in the purchase. Interest may be allowed at the rate
2989 and from the date determined by the court to be equitable;
2990 however, if the court finds that the refusal of the petitioning
2991 member to accept an offer of payment was arbitrary or otherwise
2992 not in good faith, payment of interest is not allowed. If the
2993 court finds that the petitioning member had probable grounds for
2994 relief under s. 605.0702(1)(b)3. or 4., it may award to the
2995 petitioning member reasonable fees and expenses of counsel and
2996 of experts employed by petitioner.

2997 (6) Upon entry of an order under subsection (3) or
 2998 subsection (5), the court shall dismiss the petition to dissolve
 2999 the limited liability company, and the petitioning member shall
 3000 no longer have rights or status as a member of the limited
 3001 liability company except the right to receive the amounts
 3002 awarded by the order of the court, which shall be enforceable in
 3003 the same manner as any other judgment.

3004 (7) The purchase ordered pursuant to subsection (5) must
 3005 be made within 10 days after the date the order becomes final
 3006 unless, before that time, the limited liability company files
 3007 with the court a notice of its intention to dissolve pursuant to
 3008 s. 605.0701(2), in which case articles of dissolution for the
 3009 company must be filed within 50 days thereafter. Upon filing of
 3010 such articles of dissolution, the limited liability company
 3011 shall be wound up in accordance with ss. 605.0709-605.0713, and
 3012 the order entered pursuant to subsection (5) shall no longer be
 3013 of force or effect except that the court may award the
 3014 petitioning member reasonable fees and expenses of counsel and
 3015 experts in accordance with subsection (5), and the petitioner
 3016 may continue to pursue any claims previously asserted on behalf
 3017 of the limited liability company.

3018 (8) A payment by the limited liability company pursuant to
 3019 an order under subsection (3) or subsection (5), other than an
 3020 award of fees and expenses pursuant to subsection (5), is
 3021 subject to s. 605.0405.

3022 605.0707 Articles of dissolution; filing of articles of
 3023 dissolution.-

3024 (1) Upon the occurrence of an event described in s.

3025 605.0701(1)-(3), the limited liability company shall deliver for
 3026 filing articles of dissolution as provided in this section.

3027 (2) The articles of dissolution must state the following:

3028 (a) The name of the limited liability company.

3029 (b) The delayed effective date of the limited liability
 3030 company's dissolution if the dissolution is not to be effective
 3031 on the date the articles of dissolution are filed by the
 3032 department.

3033 (c) The occurrence that resulted in the limited liability
 3034 company's dissolution.

3035 (d) If there are no members, the name, address, and
 3036 signature of the person appointed in accordance with this
 3037 subsection to wind up the company.

3038 (3) The articles of dissolution of the limited liability
 3039 company shall be delivered to the department. If the department
 3040 finds that the articles of dissolution conform to law, it shall,
 3041 when all fees have been paid as prescribed in this chapter, file
 3042 the articles of dissolution and issue a certificate of
 3043 dissolution.

3044 (4) Upon the filing of the articles of dissolution, the
 3045 limited liability company shall cease conducting its business
 3046 and shall continue solely for the purpose of winding up its
 3047 affairs in accordance with s. 605.0709, except for the purpose
 3048 of lawsuits, other proceedings, and appropriate action as
 3049 provided in this chapter.

3050 605.0708 Revocation of articles of dissolution.—

3051 (1) A limited liability company that has dissolved as the
 3052 result of an event described in s. 605.0701(1)-(3) and filed

3053 articles of dissolution with the department, but has not filed a
3054 statement of termination which has become effective, may revoke
3055 its dissolution at any time before 120 days after the effective
3056 date of its articles of dissolution.

3057 (2) The revocation of the dissolution shall be authorized
3058 in the same manner as the dissolution was authorized.

3059 (3) After the revocation of dissolution is authorized, the
3060 limited liability company shall deliver a statement of
3061 revocation of dissolution to the department for filing, together
3062 with a copy of its articles of dissolution, which must include
3063 the following:

3064 (a) The name of the limited liability company.

3065 (b) The effective date of the dissolution which was
3066 revoked.

3067 (c) The date that the statement of revocation of
3068 dissolution was authorized.

3069 (4) If there has been substantial compliance with
3070 subsection (3), the revocation of dissolution is effective when
3071 the department files the statement of revocation of dissolution.

3072 (5) When the revocation of dissolution becomes effective:

3073 (a) The company resumes carrying on its activities and
3074 affairs as if dissolution had never occurred;

3075 (b) Subject to paragraph (c), a liability incurred by the
3076 company after the dissolution and before the revocation is
3077 effective is determined as if dissolution had never occurred;
3078 and

3079 (c) The rights of a third party arising out of conduct in
3080 reliance on the dissolution before the third party knew or had

3081 notice of the revocation may not be adversely affected.
3082 605.0709 Winding up.-
3083 (1) A dissolved limited liability company shall wind up
3084 its activities and affairs and, except as otherwise provided in
3085 ss. 605.0708 and 605.0715, the company continues after
3086 dissolution only for the purpose of winding up.
3087 (2) In winding up its activities and affairs, a limited
3088 liability company:
3089 (a) Shall discharge or make provision for the company's
3090 debts, obligations, and other liabilities as provided in ss.
3091 605.0710-605.0713, settle and close the company's activities and
3092 affairs, and marshal and distribute the assets of the company;
3093 and
3094 (b) May:
3095 1. Preserve the company's activities, affairs, and
3096 property as a going concern for a reasonable time;
3097 2. Prosecute and defend actions and proceedings, whether
3098 civil, criminal, or administrative;
3099 3. Transfer title to the company's real estate and other
3100 property;
3101 4. Settle disputes by mediation or arbitration;
3102 5. Dispose of its properties that will not be distributed
3103 in kind to its members; and
3104 6. Perform other acts necessary or appropriate to the
3105 winding up.
3106 (3) If a dissolved limited liability company has no
3107 members, the legal representative of the last person to have
3108 been a member may wind up the activities and affairs of the

3109 company. If the legal representative does so, the person has the
3110 powers of a sole manager under s. 605.0407(3) and is deemed to
3111 be a manager for the purposes of s. 605.0304(1).

3112 (4) If the legal representative under subsection (3)
3113 declines or fails to wind up the company's activities and
3114 affairs, a person may be appointed to do so by the consent of
3115 the transferees owning a majority of the rights to receive
3116 distributions as transferees at the time the consent is to be
3117 effective. A person appointed under this subsection has the
3118 powers of a sole manager under s. 605.0407(3) and is deemed to
3119 be a manager for the purposes of s. 605.0304(1).

3120 (5) A circuit court may order judicial supervision of the
3121 winding up of a dissolved limited liability company, including
3122 the appointment of one or more persons to wind up the company's
3123 activities and affairs:

3124 (a) On application of a member or manager if the applicant
3125 establishes good cause;

3126 (b) On the application of a transferee if:

3127 1. The company does not have any members;

3128 2. The legal representative of the last person to have
3129 been a member declines or fails to wind up the company's
3130 activities and affairs; or

3131 3. Within a reasonable time following the dissolution a
3132 person has not been appointed pursuant to subsection (3);

3133 (c) On application of a creditor of the company if the
3134 applicant establishes good cause, but only if a receiver,
3135 custodian, or another person has not already been appointed for
3136 that purpose under this chapter; or

3137 (d) In connection with a proceeding under s. 605.0702 if a
3138 receiver, custodian, or another person has not already been
3139 appointed for that purpose under s. 605.0704.

3140 (6) The person or persons appointed by a court under
3141 subsection (5) may also be designated trustees for or receivers
3142 of the company with the authority to take charge of the limited
3143 liability company's property; to collect the debts and property
3144 due and belonging to the limited liability company; to prosecute
3145 and defend, in the name of the limited liability company, or
3146 otherwise, all such suits as may be necessary or proper for the
3147 purposes described above; to appoint an agent or agents under
3148 them; and to do all other acts that might be done by the limited
3149 liability company, if in being, which may be necessary for the
3150 final settlement of the unfinished activities and affairs of the
3151 limited liability company. The powers of the trustees or
3152 receivers may be continued as long as the court determines is
3153 necessary for the above purposes.

3154 (7) A dissolved limited liability company that has
3155 completed winding up may deliver to the department for filing a
3156 statement of termination that provides the following:

3157 (a) The name of the limited liability company.

3158 (b) The date of filing of its initial articles of
3159 organization.

3160 (c) The date of the filing of its articles of dissolution.

3161 (d) The limited liability company has completed winding up
3162 its activities and affairs and has determined that it will file
3163 a statement of termination.

3164 (e) Other information as determined by the authorized

3165 representative.

3166 (8) The manager or managers in office at the time of
3167 dissolution or the survivors of such manager or managers, or, if
3168 none, the members, shall thereafter be trustees for the members
3169 and creditors of the dissolved limited liability company. The
3170 trustees may distribute property of the limited liability
3171 company discovered after dissolution, convey real estate and
3172 other property, and take such other action as may be necessary
3173 on behalf of and in the name of the dissolved limited liability
3174 company.

3175 605.0710 Disposition of assets in winding up.-

3176 (1) In winding up its activities and affairs, a limited
3177 liability company must apply its assets to discharge its
3178 obligations to creditors, including members who are creditors.

3179 (2) After a limited liability company complies with
3180 subsection (1), the surplus must be distributed in the following
3181 order, subject to a charging order in effect under s. 605.0503:

3182 (a) To each person owning a transferable interest that
3183 reflects contributions made and not previously returned, an
3184 amount equal to the value of the unreturned contributions; then

3185 (b) To members and persons dissociated as members, in the
3186 proportions in which they shared in distributions before
3187 dissolution, except to the extent necessary to comply with a
3188 transfer effective under s. 605.0502.

3189 (3) If the limited liability company does not have
3190 sufficient surplus to comply with paragraph (2) (a), any surplus
3191 must be distributed among the owners of transferable interests
3192 in proportion to the value of their respective unreturned

3193 contributions.

3194 (4) All distributions made under subsections (2) and (3)

3195 must be paid in money.

3196 605.0711 Known claims against dissolved limited liability

3197 company.—

3198 (1) A dissolved limited liability company or successor

3199 entity, as defined in subsection (14), may dispose of the known

3200 claims against it by following the procedures described in

3201 subsections (2)-(7).

3202 (2) A dissolved limited liability company or successor

3203 entity shall deliver to each of its known claimants written

3204 notice of the dissolution after its effective date. The written

3205 notice must do the following:

3206 (a) Provide a reasonable description of the claim that the

3207 claimant may be entitled to assert.

3208 (b) State whether the claim is admitted or not admitted,

3209 in whole or in part, and, if admitted:

3210 1. The amount that is admitted, which may be as of a given

3211 date; and

3212 2. An interest obligation if fixed by an instrument of

3213 indebtedness.

3214 (c) Provide a mailing address to which a claim may be

3215 sent.

3216 (d) State the deadline, which may not be less than 120

3217 days after the effective date of the written notice, by which

3218 confirmation of the claim must be delivered to the dissolved

3219 limited liability company or successor entity.

3220 (e) State that the dissolved limited liability company or

3221 successor entity may make distributions to other claimants and
3222 to the members or transferees of the limited liability company
3223 or persons interested without further notice.

3224 (3) A dissolved limited liability company or successor
3225 entity may reject, in whole or in part, a claim made by a
3226 claimant pursuant to this subsection by mailing notice of the
3227 rejection to the claimant within 90 days after receipt of the
3228 claim and, in all events, at least 150 days before the
3229 expiration of the 3-year period after the effective date of
3230 dissolution. A notice sent by the dissolved limited liability
3231 company or successor entity pursuant to this subsection must be
3232 accompanied by a copy of this section.

3233 (4) A dissolved limited liability company or successor
3234 entity electing to follow the procedures described in
3235 subsections (2) and (3) shall also give notice of the
3236 dissolution of the limited liability company to persons who have
3237 known claims that are contingent upon the occurrence or
3238 nonoccurrence of future events or otherwise conditional or
3239 unmatured and request that the persons present the claims in
3240 accordance with the terms of the notice. The notice must be in
3241 substantially the same form and sent in the same manner as
3242 described in subsection (2).

3243 (5) A dissolved limited liability company or successor
3244 entity shall offer a claimant whose known claim is contingent,
3245 conditional, or unmatured such security as the limited liability
3246 company or entity determines is sufficient to provide
3247 compensation to the claimant if the claim matures. The dissolved
3248 limited liability company or successor entity shall deliver such

3249 offer to the claimant within 90 days after receipt of the claim
3250 and, in all events, at least 150 days before expiration of 3
3251 years after the effective date of dissolution. If the claimant
3252 that is offered the security does not deliver in writing to the
3253 dissolved limited liability company or successor entity a notice
3254 rejecting the offer within 120 days after receipt of the offer
3255 for security, the claimant is deemed to have accepted such
3256 security as the sole source from which to satisfy his, her, or
3257 its claim against the limited liability company.

3258 (6) A dissolved limited liability company or successor
3259 entity that gives notice in accordance with subsections (2) and
3260 (4) shall petition the circuit court in the applicable county to
3261 determine the amount and form of security that are sufficient to
3262 provide compensation to a claimant that has rejected the offer
3263 for security made pursuant to subsection (5).

3264 (7) A dissolved limited liability company or successor
3265 entity that has given notice in accordance with subsection (2)
3266 shall petition the circuit court in the applicable county to
3267 determine the amount and form of security that will be
3268 sufficient to provide compensation to claimants whose claims are
3269 known to the limited liability company or successor entity but
3270 whose identities are unknown. The court shall appoint a guardian
3271 ad litem to represent all claimants whose identities are unknown
3272 in a proceeding brought under this subsection. The reasonable
3273 fees and expenses of the guardian, including all reasonable
3274 expert witness fees, shall be paid by the petitioner in the
3275 proceeding.

3276 (8) The giving of notice or making of an offer pursuant to

3277 this section does not revive a claim then barred, extend an
3278 otherwise applicable statute of limitations, or constitute
3279 acknowledgment by the dissolved limited liability company or
3280 successor entity that a person to whom such notice is sent is a
3281 proper claimant, and does not operate as a waiver of a defense
3282 or counterclaim in respect of a claim asserted by a person to
3283 whom such notice is sent.

3284 (9) A dissolved limited liability company or successor
3285 entity that followed the procedures described in subsections
3286 (2)-(7) must:

3287 (a) Pay the claims admitted or made and not rejected in
3288 accordance with subsection (3);

3289 (b) Post the security offered and not rejected pursuant to
3290 subsection (5);

3291 (c) Post a security ordered by the circuit court in a
3292 proceeding under subsections (6) and (7); and

3293 (d) Pay or make provision for all other known obligations
3294 of the limited liability company or the successor entity.

3295
3296 If there are sufficient funds, such claims or obligations must
3297 be paid in full, and a provision for payments must be made in
3298 full. If there are insufficient funds, the claims and
3299 obligations shall be paid or provided for according to their
3300 priority and, among claims of equal priority, ratably to the
3301 extent of funds that are legally available therefor. Remaining
3302 funds shall be distributed to the members and transferees of the
3303 dissolved limited liability company. However, the distribution
3304 may not be made before the expiration of 150 days after the date

3305 of the last notice of a rejection given pursuant to subsection
3306 (3). In the absence of actual fraud, the judgment of the
3307 managers of a dissolved manager-managed limited liability
3308 company or the members of a dissolved member-managed limited
3309 liability company, or other person or persons winding up the
3310 limited liability company or the governing persons of the
3311 successor entity, as to the provisions made for the payment of
3312 all obligations under paragraph (d), is conclusive.

3313 (10) A dissolved limited liability company or successor
3314 entity that has not followed the procedures described in
3315 subsections (2) and (3) shall pay or make reasonable provision
3316 to pay all known claims and obligations, including all
3317 contingent, conditional, or unmatured claims known to the
3318 dissolved limited liability company or the successor entity and
3319 all claims that are known to the dissolved limited liability
3320 company or the successor entity but for which the identity of
3321 the claimant is unknown. If there are sufficient funds, the
3322 claims must be paid in full, and a provision made for payment
3323 must be made in full. If there are insufficient funds, the
3324 claims and obligations shall be paid or provided for according
3325 to their priority and, among claims of equal priority, ratably
3326 to the extent of funds that are legally available. Remaining
3327 funds shall be distributed to the members and transferees of the
3328 dissolved limited liability company.

3329 (11) A member or transferee of a dissolved limited
3330 liability company to which the assets were distributed pursuant
3331 to subsection (9) or subsection (10) is not liable for a claim
3332 against the limited liability company in an amount in excess of

3333 the member's or transferee's pro rata share of the claim or the
3334 amount distributed to the member or transferee, whichever is
3335 less.

3336 (12) A member or transferee of a dissolved limited
3337 liability company to whom the assets were distributed pursuant
3338 to subsection (9) is not liable for a claim against the limited
3339 liability company, which claim is known to the limited liability
3340 company or successor entity and on which a proceeding is not
3341 begun before the expiration of 3 years after the effective date
3342 of dissolution.

3343 (13) The aggregate liability of a person for claims
3344 against the dissolved limited liability company arising under
3345 this section or s. 605.0710 may not exceed the amount
3346 distributed to the person in dissolution.

3347 (14) As used in this section and s. 605.0710, the term
3348 "successor entity" includes a trust, receivership, or other
3349 legal entity governed by the laws of this state to which the
3350 remaining assets and liabilities of a dissolved limited
3351 liability company are transferred and which exists solely for
3352 the purposes of prosecuting and defending suits by or against
3353 the dissolved limited liability company, thereby enabling the
3354 dissolved limited liability company to settle and close the
3355 activities and affairs of the dissolved limited liability
3356 company, to dispose of and convey the property of the dissolved
3357 limited liability company, to discharge the liabilities of the
3358 dissolved limited liability company, and to distribute to the
3359 dissolved limited liability company's members or transferees any
3360 remaining assets, but not for the purpose of continuing the

3361 activities and affairs for which the dissolved limited liability
3362 company was organized.

3363 (15) As used in this section and ss. 605.0712 and
3364 605.0713, the term "applicable county" means the county in this
3365 state in which the limited liability company's principal office
3366 is located or was located at the effective date of dissolution;
3367 if the company has, and at the effective date of dissolution
3368 had, no principal office in this state, then in the county in
3369 which the company has, or at the effective date of dissolution
3370 had, an office in this state; or if none in this state, then in
3371 the county in which the company's registered office is or was
3372 last located.

3373 (16) As used in this section, the term "known claim" or
3374 "claim" includes unliquidated claims, but does not include a
3375 contingent liability that has not matured so that there is no
3376 immediate right to bring suit or a claim based on an event
3377 occurring after the effective date of dissolution.

3378 605.0712 Other claims against a dissolved limited
3379 liability company.—

3380 (1) A dissolved limited liability company or successor
3381 entity, as defined in s. 605.0711(14), may choose to execute one
3382 of the following procedures to resolve payment of unknown
3383 claims:

3384 (a) The company or successor entity may file notice of its
3385 dissolution with the department on the form prescribed by the
3386 department and request that persons who have claims against the
3387 company which are not known to the company or successor entity
3388 present them in accordance with the notice. The notice must:

- 3389 1. State the name of the company and the date of
3390 dissolution;
- 3391 2. Describe the information that must be included in a
3392 claim, state that the claim must be in writing, and provide a
3393 mailing address to which the claim may be sent; and
- 3394 3. State that a claim against the company is barred unless
3395 an action to enforce the claim is commenced within 4 years after
3396 the filing of the notice.
- 3397 (b) The company or successor entity may publish notice of
3398 its dissolution and request persons who have claims against the
3399 company to present them in accordance with the notice. The
3400 notice must:
- 3401 1. Be published in a newspaper of general circulation in
3402 the county in which the dissolved limited liability company's
3403 principal office is located or, if the principal office is not
3404 located in this state, in the county in which the office of the
3405 company's registered agent is or was last located;
- 3406 2. Describe the information that must be included in a
3407 claim, state that the claim must be in writing, and provide a
3408 mailing address to which the claim is to be sent; and
- 3409 3. State that a claim against the company is barred unless
3410 an action to enforce the claim is commenced within 4 years after
3411 publication of the notice.
- 3412 (2) If a dissolved limited liability company complies with
3413 paragraph (1) (a) or paragraph (1) (b), unless sooner barred by
3414 another statute limiting actions, the claim of each of the
3415 following claimants is barred unless the claimant commences an
3416 action to enforce the claim against the dissolved limited

3417 liability company within 4 years after the publication date of
3418 the notice:

3419 (a) A claimant that did not receive notice in a record
3420 under s. 605.0711;

3421 (b) A claimant whose claim was timely sent to the
3422 dissolved limited liability company but not acted on; and

3423 (c) A claimant whose claim is contingent at or based on an
3424 event occurring after the effective date of dissolution.

3425 (3) A claim that is not barred by this section, s.
3426 608.0711, or another statute limiting actions, may be enforced:

3427 (a) Against a dissolved limited liability company, to the
3428 extent of its undistributed assets; and

3429 (b) Except as otherwise provided in s. 605.0713, if assets
3430 of the limited liability company have been distributed after
3431 dissolution, against a member or transferee to the extent of
3432 that person's proportionate share of the claim or of the
3433 company's assets distributed to the member or transferee after
3434 dissolution, whichever is less, but a person's total liability
3435 for all claims under this subsection may not exceed the total
3436 amount of assets distributed to the person after dissolution.

3437 (4) This section does not extend an otherwise applicable
3438 statute of limitations.

3439 605.0713 Court proceedings.—

3440 (1) A dissolved limited liability company that has filed
3441 or published a notice under s. 605.0712(1)(a) or (1)(b) may file
3442 an application with the circuit court in the applicable county,
3443 as defined in s. 605.0711(15), for a determination of the amount
3444 and form of security to be provided for payment of claims that

3445 are contingent, have not been made known to the company, or are
3446 based on an event occurring after the effective date of
3447 dissolution but which, based on the facts known to the dissolved
3448 company, are reasonably expected to arise after the effective
3449 date of dissolution. Security is not required for a claim that
3450 is, or is reasonably anticipated to be, barred under s.
3451 605.0712.

3452 (2) Within 10 days after filing an application under
3453 subsection (1), the dissolved limited liability company must
3454 give notice of the proceeding to each claimant holding a
3455 contingent claim known to the company.

3456 (3) In a proceeding under this section, the court may
3457 appoint a guardian ad litem to represent all claimants whose
3458 identities are unknown. The reasonable fees and expenses of the
3459 guardian ad litem, including all reasonable expert witness fees,
3460 must be paid by the dissolved limited liability company.

3461 (4) A dissolved limited liability company that provides
3462 security in the amount and form ordered by the court under
3463 subsection (1) satisfies the company's obligations with respect
3464 to claims that are contingent, have not been made known to the
3465 company, or are based on an event occurring after the effective
3466 date of dissolution, and such claims may not be enforced against
3467 a member or transferee that received assets in liquidation.

3468 605.0714 Administrative dissolution.—

3469 (1) The department may dissolve a limited liability
3470 company administratively if the company does not:

3471 (a) Deliver its annual report to the department by 5:00
3472 p.m. Eastern Time on the third Friday in September of each year;

3473 (b) Pay a fee or penalty due to the department under this
3474 chapter;

3475 (c) Appoint and maintain a registered agent as required
3476 under s. 605.0113; or

3477 (d) Deliver for filing a statement of a change under s.
3478 605.0114 within 30 days after a change has occurred in the name
3479 or address of the agent unless, within 30 days after the change
3480 occurred:

3481 1. The agent filed a statement of change under s.
3482 605.0116; or

3483 2. The change was made accordance with s. 605.0114(4).

3484 (2) Administrative dissolution of a limited liability
3485 company for failure to file an annual report must occur on the
3486 fourth Friday in September of each year. The department shall
3487 issue a notice in a record of administrative dissolution to the
3488 limited liability company dissolved for failure to file an
3489 annual report. Issuance of the notice may be by electronic
3490 transmission to a limited liability company that has provided
3491 the department with an e-mail address.

3492 (3) If the department determines that one or more grounds
3493 exist for administratively dissolving a limited liability
3494 company under paragraph (1) (b), paragraph (1) (c), or paragraph
3495 (1) (d), the department shall serve notice in a record to the
3496 limited liability company of its intent to administratively
3497 dissolve the limited liability company. Issuance of the notice
3498 may be by electronic transmission to a limited liability company
3499 that has provided the department with an e-mail address.

3500 (4) If, within 60 days after sending the notice of intent

3501 to administratively dissolve pursuant to subsection (3), a
 3502 limited liability company does not correct each ground for
 3503 dissolution under paragraph (1)(b), paragraph (1)(c), or
 3504 paragraph (1)(d) or demonstrate to the reasonable satisfaction
 3505 of the department that each ground determined by the department
 3506 does not exist, the department shall dissolve the limited
 3507 liability company administratively and issue to the company a
 3508 notice in a record of administrative dissolution that states the
 3509 grounds for dissolution. Issuance of the notice of
 3510 administrative dissolution may be by electronic transmission to
 3511 a limited liability company that has provided the department
 3512 with an e-mail address.

3513 (5) A limited liability company that has been
 3514 administratively dissolved continues in existence but may only
 3515 carry on activities necessary to wind up its activities and
 3516 affairs, liquidate and distribute its assets, and notify
 3517 claimants under ss. 605.0711 and 605.0712.

3518 (6) The administrative dissolution of a limited liability
 3519 company does not terminate the authority of its registered agent
 3520 for service of process.

3521 605.0715 Reinstatement.—

3522 (1) A limited liability company that is administratively
 3523 dissolved under s. 605.0714 may apply to the department for
 3524 reinstatement at any time after the effective date of
 3525 dissolution. The company must submit a form of application for
 3526 reinstatement prescribed and furnished by the department and
 3527 provide all of the information required by the department,
 3528 together with all fees and penalties then owed by the company at

3529 the rates provided by law at the time the company applies for
3530 reinstatement.

3531 (2) If the department determines that an application for
3532 reinstatement contains the information required under subsection
3533 (1) and that the information is correct, upon payment of all
3534 required fees and penalties, the department shall reinstate the
3535 limited liability company.

3536 (3) When reinstatement under this section becomes
3537 effective:

3538 (a) The reinstatement relates back to and takes effect as
3539 of the effective date of the administrative dissolution.

3540 (b) The limited liability company may resume its
3541 activities and affairs as if the administrative dissolution had
3542 not occurred.

3543 (c) The rights of a person arising out of an act or
3544 omission in reliance on the dissolution before the person knew
3545 or had notice of the reinstatement are not affected.

3546 (4) The name of the dissolved limited liability company is
3547 not available for assumption or use by another business entity
3548 until 1 year after the effective date of dissolution unless the
3549 dissolved limited liability company provides the department with
3550 a record executed as required pursuant to s. 605.0203 permitting
3551 the immediate assumption or use of the name by another limited
3552 liability company.

3553 605.0716 Judicial review of denial of reinstatement.—

3554 (1) If the department denies a limited liability company's
3555 application for reinstatement after administrative dissolution,
3556 the department shall serve the company with a notice in a record

3557 that explains the reason or reasons for the denial.

3558 (2) Within 30 days after service of a notice of denial of
3559 reinstatement, a limited liability company may appeal the denial
3560 by petitioning the circuit court in the applicable county, as
3561 defined in s. 605.0711(15), to set aside the dissolution. The
3562 petition must be served on the department and contain a copy of
3563 the department's notice of administrative dissolution, the
3564 company's application for reinstatement, and the department's
3565 notice of denial.

3566 (3) The court may order the department to reinstate a
3567 dissolved limited liability company or take other action the
3568 court considers appropriate.

3569 605.0717 Effect of dissolution.—

3570 (1) Dissolution of a limited liability company does not:

3571 (a) Transfer title to the limited liability company's
3572 assets;

3573 (b) Prevent commencement of a proceeding by or against the
3574 limited liability company in its name;

3575 (c) Abate or suspend a proceeding pending by or against
3576 the limited liability company on the effective date of
3577 dissolution; or

3578 (d) Terminate the authority of the registered agent of the
3579 limited liability company.

3580 (2) Except as provided in s. 605.0715(4), the name of the
3581 dissolved limited liability company is not available for
3582 assumption or use by another business entity until 120 days
3583 after the effective date of dissolution or filing of a statement
3584 of termination, if earlier.

3585 605.0801 Direct action by member.—

3586 (1) Subject to subsection (2), a member may maintain a
 3587 direct action against another member, a manager, or the limited
 3588 liability company to enforce the member's rights and otherwise
 3589 protect the member's interests, including rights and interests
 3590 under the operating agreement or this chapter or arising
 3591 independently of the membership relationship.

3592 (2) A member maintaining a direct action under this
 3593 section must plead and prove an actual or threatened injury that
 3594 is not solely the result of an injury suffered or threatened to
 3595 be suffered by the limited liability company.

3596 605.0802 Derivative action.—A member may maintain a
 3597 derivative action to enforce a right of a limited liability
 3598 company if:

3599 (1) The member first makes a demand on the other members
 3600 in a member-managed limited liability company or the managers of
 3601 a manager-managed limited liability company requesting that the
 3602 managers or other members cause the company to take suitable
 3603 action to enforce the right, and the managers or other members
 3604 do not take the action within a reasonable time, not to exceed
 3605 90 days; or

3606 (2) A demand under subsection (1) would be futile, or
 3607 irreparable injury would result to the company by waiting for
 3608 the other members or the managers to take action to enforce the
 3609 right in accordance with subsection (1).

3610 605.0803 Proper plaintiff.—A derivative action to enforce
 3611 a right of a limited liability company may be maintained only by
 3612 a person who is a member at the time the action is commenced

3613 and:

3614 (1) Was a member when the conduct giving rise to the
3615 action occurred; or

3616 (2) Whose status as a member devolved on the person by
3617 operation of law or pursuant to the terms of the operating
3618 agreement from a person who was a member at the time of the
3619 conduct.

3620 605.0804 Special litigation committee.—

3621 (1) If a limited liability company is named as or made a
3622 party in a derivative action, the company may appoint a special
3623 litigation committee to investigate the claims asserted in the
3624 derivative action and determine whether pursuing the action is
3625 in the best interest of the company. If the company appoints a
3626 special litigation committee, on motion, except for good cause
3627 shown, the court may stay any derivative action for the time
3628 reasonably necessary to permit the committee to make its
3629 investigation. This subsection does not prevent the court from:

3630 (a) Enforcing a person's rights under the company's
3631 operating agreement or this chapter, including the person's
3632 rights to information under s. 605.0410; or

3633 (b) Exercising its equitable or other powers, including
3634 granting extraordinary relief in the form of a temporary
3635 restraining order or preliminary injunction.

3636 (2) A special litigation committee must be composed of one
3637 or more disinterested and independent individuals, who may be
3638 members.

3639 (3) A special litigation committee may be appointed:

3640 (a) In a member-managed limited liability company, by the

3641 consent of the members who are not named as parties in the
3642 derivative action, who are otherwise disinterested and
3643 independent, and who hold a majority of the current percentage
3644 or other interest in the profits of the company owned by all of
3645 the members of the company who are not named as parties in the
3646 derivative action and who are otherwise disinterested and
3647 independent;

3648 (b) In a manager-managed limited liability company, by a
3649 majority of the managers not named as parties in the derivative
3650 action and who are otherwise disinterested and independent; or

3651 (c) Upon motion by the limited liability company,
3652 consisting of a panel of one or more disinterested and
3653 independent persons.

3654 (4) After appropriate investigation, a special litigation
3655 committee shall determine what action is in the best interest of
3656 the limited liability company, including continuing, dismissing,
3657 or settling the derivative action or taking another action that
3658 the special litigation committee deems appropriate.

3659 (5) After making a determination under subsection (4), a
3660 special litigation committee shall file or cause to be filed
3661 with the court a statement of its determination and its report
3662 supporting its determination and shall serve each party to the
3663 derivative action with a copy of the determination and report.
3664 Upon motion to enforce the determination of the special
3665 litigation committee, the court shall determine whether the
3666 members of the committee were disinterested and independent and
3667 whether the committee conducted its investigation and made its
3668 recommendation in good faith, independently, and with reasonable

3669 care, with the committee having the burden of proof. If the
3670 court finds that the members of the committee were disinterested
3671 and independent and that the committee acted in good faith,
3672 independently, and with reasonable care, the court may enforce
3673 the determination of the committee. Otherwise, the court shall
3674 dissolve any stay of derivative action entered under subsection
3675 (1) and allow the derivative action to continue under the
3676 control of the plaintiff.

3677 605.0805 Proceeds and expenses.—

3678 (1) Except as otherwise provided in subsection (2):

3679 (a) Proceeds or other benefits of a derivative action
3680 under s. 605.0802, whether by judgment, compromise, or
3681 settlement, belong to the limited liability company and not to
3682 the plaintiff; and

3683 (b) If the plaintiff receives any proceeds, the plaintiff
3684 shall remit them immediately to the company.

3685 (2) If a derivative action under s. 608.0802 is successful
3686 in whole or in part, the court may award the plaintiff
3687 reasonable expenses, including reasonable attorney fees and
3688 costs, from the recovery of the limited liability company.

3689 605.0806 Voluntary dismissal or settlement; notice.—

3690 (1) A derivative action on behalf of a limited liability
3691 company may not be voluntarily dismissed or settled without the
3692 court's approval.

3693 (2) If the court determines that a proposed voluntary
3694 dismissal or settlement will substantially affect the interest
3695 of the limited liability company's members or a class, series,
3696 or voting group of members, the court shall direct that notice

3697 be given to the members affected. The court may determine which
3698 party or parties to the derivative action shall bear the expense
3699 of giving the notice.

3700 605.0901 Governing law.—

3701 (1) The law of the state or other jurisdiction under which
3702 a foreign limited liability company exists governs:

3703 (a) The organization and internal affairs of the foreign
3704 limited liability company; and

3705 (b) The liability of a member as member and a manager as
3706 manager for the debts, obligations, or other liabilities of the
3707 foreign limited liability company.

3708 (2) A foreign limited liability company may not be denied
3709 a certificate of authority by reason of a difference between its
3710 jurisdiction of formation and the laws of this state.

3711 (3) A certificate of authority does not authorize a
3712 foreign limited liability company to engage in any business or
3713 exercise any power that a limited liability company may not
3714 engage in or exercise in this state.

3715 605.0902 Application for certificate of authority.—

3716 (1) A foreign limited liability company may not transact
3717 business in this state until it obtains a certificate of
3718 authority from the department. A foreign limited liability
3719 company may apply for a certificate of authority to transact
3720 business in this state by delivering an application to the
3721 department for filing. Such application must be made on forms
3722 prescribed by the department. The application must contain the
3723 following:

3724 (a) The name of the foreign limited liability company and,

3725 if the name does not comply with s. 605.0112, an alternate name
3726 adopted pursuant to s. 605.0906.

3727 (b) The name of the foreign limited liability company's
3728 jurisdiction of formation.

3729 (c) The principal office and mailing addresses of the
3730 foreign limited liability company.

3731 (d) The name and street address in this state of, and the
3732 written acceptance by, the foreign limited liability company's
3733 initial registered agent in this state.

3734 (e) The name, title or capacity, and address of at least
3735 one person who has the authority to manage the foreign limited
3736 liability company.

3737 (f) Additional information as may be necessary or
3738 appropriate in order to enable the department to determine
3739 whether the foreign limited liability company is entitled to
3740 file an application for a certificate of authority to transact
3741 business in this state and to determine and assess the fees as
3742 prescribed in this chapter.

3743 (2) A foreign limited liability company shall deliver with
3744 a completed application under subsection (1) a certificate of
3745 existence or a record of similar import signed by the Secretary
3746 of State or other official having custody of the foreign limited
3747 liability company's publicly filed records in its jurisdiction
3748 of formation, dated not more than 90 days before the delivery of
3749 the application to the department.

3750 (3) For purposes of complying with the requirements of
3751 this chapter, the department may require each individual series
3752 or cell of a foreign series limited liability company that

3753 transacts business in this state to make a separate application
3754 for certificate of authority, and to make such other filings as
3755 may be required for purposes of complying with the requirements
3756 of this chapter as if each such series or cell were a separate
3757 foreign limited liability company.

3758 605.0903 Effect of a certificate of authority.-

3759 (1) Unless the department determines that an application
3760 for a certificate of authority of a foreign limited liability
3761 company to transact business in this state does not comply with
3762 the filing requirements of this chapter, the department shall,
3763 upon payment of all filing fees, authorize the foreign limited
3764 liability company to transact business in this state and file
3765 the application for a certificate of authority.

3766 (2) The filing by the department of an application for a
3767 certificate of authority authorizes the foreign limited
3768 liability company that files the application to transact
3769 business in this state, subject, however, to the right of the
3770 department to suspend or revoke the certificate of authority as
3771 provided in this chapter.

3772 605.0904 Effect of failure to have certificate of
3773 authority.-

3774 (1) A foreign limited liability company transacting
3775 business in this state or its successors may not maintain an
3776 action or proceeding in this state unless it has a certificate
3777 of authority to transact business in this state.

3778 (2) The successor to a foreign limited liability company
3779 that transacted business in this state without a certificate of
3780 authority and the assignee of a cause of action arising out of

3781 that business may not maintain a proceeding based on that cause
3782 of action in a court in this state until the foreign limited
3783 liability company or its successor obtains a certificate of
3784 authority.

3785 (3) A court may stay a proceeding commenced by a foreign
3786 limited liability company or its successor or assignee until it
3787 determines whether the foreign limited liability company or its
3788 successor requires a certificate of authority. If it so
3789 determines, the court may further stay the proceeding until the
3790 foreign limited liability company or its successor obtains the
3791 certificate.

3792 (4) The failure of a foreign limited liability company to
3793 have a certificate of authority to transact business in this
3794 state does not impair the validity of a contract or act of the
3795 foreign limited liability company or prevent the foreign limited
3796 liability company from defending an action or proceeding in this
3797 state.

3798 (5) A member or manager of a foreign limited liability
3799 company is not liable for the debts, obligations, or other
3800 liabilities of the foreign limited liability company solely
3801 because the foreign limited liability company transacted
3802 business in this state without a certificate of authority.

3803 (6) If a foreign limited liability company transacts
3804 business in this state without a certificate of authority or
3805 cancels its certificate of authority, it appoints the department
3806 as its agent for service of process for rights of action arising
3807 out of the transaction of business in this state.

3808 (7) A foreign limited liability company that transacts

3809 business in this state without obtaining a certificate of
3810 authority is liable to this state for the years or parts thereof
3811 during which it transacted business in this state without
3812 obtaining a certificate of authority in an amount equal to all
3813 fees and penalties that would have been imposed by this chapter
3814 upon the foreign limited liability company had it duly applied
3815 for and received a certificate authority to transact business in
3816 this state as required under this chapter. In addition to the
3817 payments thus prescribed, the foreign limited liability company
3818 is liable for a civil penalty of at least \$500 but not more than
3819 \$1,000 for each year or part thereof during which it transacts
3820 business in this state without a certificate of authority. The
3821 department may collect all penalties due under this subsection.

3822 605.0905 Activities not constituting transacting
3823 business.—

3824 (1) The following activities, among others, do not
3825 constitute transacting business within the meaning of s.
3826 605.0902(1):

3827 (a) Maintaining, defending, or settling any proceeding.

3828 (b) Holding meetings of the managers or members or
3829 carrying on other activities concerning internal company
3830 affairs.

3831 (c) Maintaining bank accounts.

3832 (d) Maintaining managers or agencies for the transfer,
3833 exchange, and registration of the foreign limited liability
3834 company's own securities or maintaining trustees or depositaries
3835 with respect to those securities.

3836 (e) Selling through independent contractors.

3837 (f) Soliciting or obtaining orders, whether by mail or
3838 through employees, agents, or otherwise, if the orders require
3839 acceptance outside this state before they become contracts.

3840 (g) Creating or acquiring indebtedness, mortgages, and
3841 security interests in real or personal property.

3842 (h) Securing or collecting debts or enforcing mortgages
3843 and security interests in property securing the debts.

3844 (i) Transacting business in interstate commerce.

3845 (j) Conducting an isolated transaction that is completed
3846 within 30 days and that is not one in the course of repeated
3847 transactions of a like nature.

3848 (k) Owning and controlling a subsidiary corporation
3849 incorporated in or limited liability company formed in, or
3850 transacting business within, this state; voting the stock of any
3851 such subsidiary corporation; or voting the membership interests
3852 of any such limited liability company, which it has lawfully
3853 acquired.

3854 (l) Owning a limited partner interest in a limited
3855 partnership that is transacting business within this state,
3856 unless the limited partner manages or controls the partnership
3857 or exercises the powers and duties of a general partner.

3858 (m) Owning, without more, real or personal property.

3859 (2) The list of activities in subsection (1) is not an
3860 exhaustive list of activities that constitute transacting
3861 business within the meaning of s. 605.0902(1).

3862 (3) The ownership in this state of income-producing real
3863 property or tangible personal property, other than property
3864 excluded under subsection (1), constitutes transacting business

3865 | in this state for purposes of s. 605.0902(1).

3866 | (4) This section does not apply when determining the
3867 | contacts or activities that may subject a foreign limited
3868 | liability company to service of process, taxation, or regulation
3869 | under the law of this state other than this chapter.

3870 | 605.0906 Noncomplying name of foreign limited liability
3871 | company.—

3872 | (1) A foreign limited liability company whose name is
3873 | unavailable under or whose name does not otherwise comply with
3874 | s. 605.0112 may use an alternate name that complies with s.
3875 | 605.0112 to transact business in this state. An alternate name
3876 | adopted for use in this state shall be cross-referenced to the
3877 | actual name of the foreign limited liability company in the
3878 | records of the department. If the actual name of the foreign
3879 | limited liability company subsequently becomes available in this
3880 | state or the foreign limited liability company chooses to change
3881 | its alternate name, a copy of the record approving the change by
3882 | its members, managers, or other persons having the authority to
3883 | do so, and executed as required pursuant to s. 605.0203, shall
3884 | be delivered to the department for filing.

3885 | (2) A foreign limited liability company that adopts an
3886 | alternate name under subsection (1) and obtains a certificate of
3887 | authority with the alternate name need not comply with s.
3888 | 865.09.

3889 | (3) After obtaining a certificate of authority with an
3890 | alternate name, a foreign limited liability company shall
3891 | transact business in this state under the alternate name unless
3892 | the company is authorized under s. 865.09 to transact business

3893 | in this state under another name.

3894 | (4) If a foreign limited liability company authorized to
 3895 | transact business in this state changes its name to one that
 3896 | does not comply with s. 605.0112, it may not thereafter transact
 3897 | business in this state until it complies with subsection (1) and
 3898 | obtains an amended certificate of authority.

3899 | 605.0907 Amendment to certificate of authority.-

3900 | (1) A foreign limited liability company authorized to
 3901 | transact business in this state shall deliver for filing an
 3902 | amendment to its certificate of authority to reflect the change
 3903 | of any of the following:

3904 | (a) Its name on the records of the department.

3905 | (b) Its jurisdiction of formation.

3906 | (c) The name and street address in this state of the
 3907 | company's registered agent in this state, unless the change was
 3908 | timely made in accordance with s. 605.0114 or s. 605.0116.

3909 | (d) Any person identified in accordance with s.
 3910 | 605.0902(1)(e), or a change in the title or capacity or address
 3911 | of that person.

3912 | (2) The amendment must be filed within 30 days after the
 3913 | occurrence of a change described in subsection (1), must be
 3914 | signed by an authorized representative of the foreign limited
 3915 | liability company, and must state the following:

3916 | (a) The name of the foreign limited liability company as
 3917 | it appears on the records of the department.

3918 | (b) Its jurisdiction of formation.

3919 | (c) The date the foreign limited liability company was
 3920 | authorized to transact business this state.

3921 (d) If the name of the foreign limited liability company
 3922 has been changed, the name relinquished and its new name.

3923 (e) If the amendment changes the jurisdiction of formation
 3924 of the foreign limited liability company, a statement of that
 3925 change.

3926 (3) Subject to subsection (4), a foreign limited liability
 3927 company authorized to do business in this state may make
 3928 application to the department to obtain an amended certificate
 3929 of authority to add, remove, or change the name, title,
 3930 capacity, or address of a person who has the authority to manage
 3931 the foreign limited liability company.

3932 (4) The requirements of s. 605.0902(2) for obtaining an
 3933 original certificate of authority apply to obtaining an amended
 3934 certificate under this section unless the Secretary of State or
 3935 other official having custody of the foreign limited liability
 3936 company's publicly filed records in its jurisdiction of
 3937 formation did not require an amendment to effectuate the change
 3938 on its records.

3939 605.0908 Revocation of certificate of authority.—

3940 (1) A certificate of authority of a foreign limited
 3941 liability company to transact business in this state may be
 3942 revoked by the department if:

3943 (a) The foreign limited liability company does not deliver
 3944 its annual report to the department by 5 p.m. Eastern Time on
 3945 the third Friday in September of each year;

3946 (b) The foreign limited liability company does not pay a
 3947 fee or penalty due to the department under this chapter;

3948 (c) The foreign limited liability company does not appoint

3949 | and maintain a registered agent as required under s. 605.0113;

3950 | (d) The foreign limited liability company does not deliver
3951 | for filing a statement of a change under s. 605.0114 within 30
3952 | days after a change has occurred in the name or address of the
3953 | agent, unless, within 30 days after the change occurred, either:

3954 | 1. The registered agent files a statement of change under
3955 | s. 605.0116; or

3956 | 2. The change was made in accordance with s. 605.0114(4)
3957 | or s. 605.0907(1)(d);

3958 | (e) The foreign limited liability company has failed to
3959 | amend its certificate of authority to reflect a change in its
3960 | name on the records of the department or its jurisdiction of
3961 | formation;

3962 | (f) The department receives a duly authenticated
3963 | certificate from the official having custody of records in the
3964 | company's jurisdiction of formation stating that it has been
3965 | dissolved or is no longer active on the official's records;

3966 | (g) The foreign limited liability company's period of
3967 | duration has expired;

3968 | (h) A member, manager, or agent of the foreign limited
3969 | liability company signs a document that the member, manager, or
3970 | agent knew was false in a material respect with the intent that
3971 | the document be delivered to the department for filing; or

3972 | (i) The foreign limited liability company has failed to
3973 | answer truthfully and fully, within the time prescribed in s.
3974 | 605.1104, interrogatories propounded by the department.

3975 | (2) Revocation of a foreign limited liability company's
3976 | certificate of authority for failure to file an annual report

3977 | shall occur on the fourth Friday in September of each year. The
 3978 | department shall issue a notice in a record of the revocation to
 3979 | the revoked foreign limited liability company. Issuance of the
 3980 | notice may be by electronic transmission to a foreign limited
 3981 | liability company that has provided the department with an e-
 3982 | mail address.

3983 | (3) If the department determines that one or more grounds
 3984 | exist under paragraphs (1)(b)-(i) for revoking a foreign limited
 3985 | liability company's certificate of authority, the department
 3986 | shall issue a notice in a record to the foreign limited
 3987 | liability company of the department's intent to revoke the
 3988 | certificate of authority. Issuance of the notice may be by
 3989 | electronic transmission to a foreign limited liability company
 3990 | that has provided the department with an e-mail address.

3991 | (4) If, within 60 days after the department sends the
 3992 | notice of intent to revoke in accordance with subsection (3),
 3993 | the foreign limited liability company does not correct each
 3994 | ground for revocation or demonstrate to the reasonable
 3995 | satisfaction of the department that each ground determined by
 3996 | the department does not exist, the department shall revoke the
 3997 | foreign limited liability company's authority to transact
 3998 | business in this state and issue a notice in a record of
 3999 | revocation which states the grounds for revocation. Issuance of
 4000 | the notice may be by electronic transmission to a foreign
 4001 | limited liability company that has provided the department with
 4002 | an e-mail address.

4003 | 605.0909 Reinstatement following revocation of certificate
 4004 | of authority.-

4005 (1) A foreign limited liability company whose certificate
4006 of authority has been revoked may apply to the department for
4007 reinstatement at any time after the effective date of the
4008 revocation. The foreign limited liability company applying for
4009 reinstatement must provide information in a form prescribed and
4010 furnished by the department and pay all fees and penalties then
4011 owed by the foreign limited liability company at rates provided
4012 by law at the time the foreign limited liability company applies
4013 for reinstatement.

4014 (2) If the department determines that an application for
4015 reinstatement contains the information required under subsection
4016 (1) and that the information is correct, upon payment of all
4017 required fees and penalties, the department shall reinstate the
4018 foreign limited liability company's certificate of authority.

4019 (3) When a reinstatement becomes effective, it relates
4020 back to and takes effect as of the effective date of the
4021 revocation of authority and the foreign limited liability
4022 company may resume its activities in this state as if the
4023 revocation of authority had not occurred.

4024 (4) The name of the foreign limited liability company
4025 whose certificate of authority has been revoked is not available
4026 for assumption or use by another business entity until 1 year
4027 after the effective date of revocation of authority unless the
4028 limited liability company provides the department with a record
4029 executed pursuant to s. 605.0203 which authorizes the immediate
4030 assumption or use of its name by another limited liability
4031 company.

4032 (5) If the name of the foreign limited liability company

4033 applying for reinstatement has been lawfully assumed in this
 4034 state by another business entity, the department shall require
 4035 the foreign limited liability company to comply with s. 605.0906
 4036 before accepting its application for reinstatement.

4037 605.0910 Withdrawal and cancellation of certificate of
 4038 authority.—To cancel its certificate of authority to transact
 4039 business in this state, a foreign limited liability company must
 4040 deliver to the department for filing a notice of withdrawal of
 4041 certificate of authority. The certificate is canceled when the
 4042 notice becomes effective pursuant to s. 605.0207. The notice of
 4043 withdrawal of certificate of authority must be signed by an
 4044 authorized representative and state the following:

4045 (1) The name of the foreign limited liability company as
 4046 it appears on the records of the department.

4047 (2) The name of the foreign limited liability company's
 4048 jurisdiction of formation.

4049 (3) The date the foreign limited liability company was
 4050 authorized to transact business in this state.

4051 (4) The foreign limited liability company is withdrawing
 4052 its certificate of authority in this state.

4053 605.0911 Withdrawal deemed on conversion to domestic
 4054 filing entity.—A registered foreign limited liability company
 4055 that converts to a domestic limited liability company or to
 4056 another domestic entity that is organized, incorporated,
 4057 registered or otherwise formed through the delivery of a record
 4058 to the department for filing is deemed to have withdrawn its
 4059 certificate of authority on the effective date of the
 4060 conversion.

4061 605.0912 Withdrawal on dissolution, merger, or conversion
 4062 to nonfiling entity.-

4063 (1) A registered foreign limited liability company that
 4064 has dissolved and completed winding up, merged into a foreign
 4065 entity that is not registered in this state, or has converted to
 4066 a domestic or foreign entity that is not organized,
 4067 incorporated, registered or otherwise formed through the public
 4068 filing of a record, shall deliver a notice of withdrawal of
 4069 certificate of authority to the department for filing in
 4070 accordance with s. 605.0910.

4071 (2) After a withdrawal under this section of a foreign
 4072 entity that has converted to another type of entity is
 4073 effective, service of process in any action or proceeding based
 4074 on a cause of action arising during the time the foreign limited
 4075 liability company was registered to do business in this state
 4076 may be made pursuant to s. 605.0117.

4077 605.0913 Action by Department of Legal Affairs.-The
 4078 Department of Legal Affairs may maintain an action to enjoin a
 4079 foreign limited liability company from transacting business in
 4080 this state in violation of this chapter.

4081 605.1001 Relationship of the provisions of ss. 605.1001-
 4082 605.1072 to other laws.-

4083 (1) The provisions of ss. 605.1001-605.1072 do not
 4084 authorize an act prohibited by, and do not affect the
 4085 application or requirements of, law other than the provisions of
 4086 ss. 605.1001-605.1072.

4087 (2) A transaction effected under ss. 605.1001-605.1072 may
 4088 not create or impair a right or obligation on the part of a

4089 person under a provision of the law of this state other than ss.
4090 605.1001-605.1072, relating to a change in control, takeover,
4091 business combination, control-share acquisition, or similar
4092 transaction involving a merging, acquiring, or converting
4093 domestic business corporation unless:

4094 (a) If the corporation does not survive the transaction,
4095 the transaction satisfies the requirements of the provision; or

4096 (b) If the corporation survives the transaction, the
4097 approval of the plan is by a vote of the shareholders or
4098 directors which would be sufficient to create or impair the
4099 right or obligation directly under the provision.

4100 605.1002 Charitable and donative provisions.—

4101 (1) Property held for a charitable purpose under the law
4102 of this state by a domestic or foreign entity immediately before
4103 a transaction under this chapter becomes effective may not, as a
4104 result of the transaction, be diverted from the objects for
4105 which it was donated, granted, devised, or otherwise transferred
4106 unless, to the extent required under or pursuant to the law of
4107 this state concerning cy pres or other law dealing with
4108 nondiversion of charitable assets, the entity obtains an
4109 appropriate order of the appropriate court specifying the
4110 disposition of the property.

4111 (2) A bequest, devise, gift, grant, or promise contained
4112 in a will or other instrument of donation, subscription, or
4113 conveyance that is made to a merging entity that is not the
4114 surviving entity and that takes effect or remains payable after
4115 the merger inures to the surviving entity. A trust obligation
4116 that would govern property if transferred to the nonsurviving

4117 entity applies to property that is transferred to the surviving
4118 entity under this section.

4119 605.1003 Status of filings.—A filing under ss. 605.1001-
4120 605.1072 signed by a domestic entity becomes part of the public
4121 organic record of the entity if the entity's organic law
4122 provides that similar filings under that law become part of the
4123 public organic record of the entity.

4124 605.1004 Nonexclusivity.—The fact that a transaction under
4125 ss. 605.1001-605.1072 produces a certain result does not
4126 preclude the same result from being accomplished in any other
4127 manner authorized under a law other than the provisions of ss.
4128 605.1001-605.1072.

4129 605.1005 Reference to external facts.—A plan may refer to
4130 facts ascertainable outside the plan if the manner in which the
4131 facts will operate upon the plan is specified in the plan. The
4132 facts may include the occurrence of an event or a determination
4133 or action by a person, whether or not the event, determination,
4134 or action is within the control of a party to the transaction.

4135 605.1006 Appraisal rights.—

4136 (1) A member of a limited liability company is entitled to
4137 appraisal rights and to obtain payment of the fair value of that
4138 member's membership interest in the following events:

4139 (a) Consummation of a merger of a limited liability
4140 company pursuant to this chapter where the member possessed the
4141 right to vote upon the merger.

4142 (b) Consummation of a conversion of such limited liability
4143 company pursuant to this chapter where the member possessed the
4144 right to vote upon the conversion.

4145 (c) Consummation of an interest exchange pursuant to this
4146 chapter where the member possessed the right to vote upon the
4147 interest exchange except that appraisal rights are not available
4148 to any interest holder of the limited liability company whose
4149 interest in the limited liability company is not subject to
4150 exchange in the interest exchange.

4151 (d) Consummation of a sale of substantially all of the
4152 assets of a limited liability company where the member possessed
4153 the right to vote upon the sale unless the sale is pursuant to
4154 court order or the sale is for cash pursuant to a plan under
4155 which all or substantially all of the net proceeds of the sale
4156 will be distributed to the interest holders within 1 year after
4157 the date of sale.

4158 (e) An amendment to the organic rules of the entity which
4159 reduces the interest of the holder to a fraction of an interest,
4160 if the limited liability company will be obligated to or will
4161 have the right to repurchase the fractional interest so created.

4162 (f) An amendment to the organic rules of an entity, the
4163 effect of which is to alter or abolish voting or other rights
4164 with respect to such interest in a manner that is adverse to the
4165 interest of such member, except as the right may be affected by
4166 the voting or other rights of new interests then being
4167 authorized of a new class or series of interests.

4168 (g) An amendment to the organic rules of an entity the
4169 effect of which is to adversely affect the interest of the
4170 member by altering or abolishing appraisal rights under this
4171 section.

4172 (h) To the extent otherwise expressly authorized by the

4173 organic rules of the limited liability company.

4174 (2) A limited liability company may modify, restrict, or
4175 eliminate the appraisal rights provided in this section in its
4176 organic rules if the provision modifying, restricting, or
4177 eliminating the appraisal rights is authorized by each member
4178 whose appraisal rights are being modified, restricted, or
4179 eliminated. Organic rules containing an express waiver of
4180 appraisal rights that are approved by a member constitute a
4181 waiver of appraisal rights with respect to such member to the
4182 extent provided in such organic rules.

4183 (3) To the extent that appraisal rights are available
4184 hereunder, ss. 605.1061-605.1072 govern the procedures with
4185 respect to such appraisal rights as between the limited
4186 liability company and its members.

4187 (4) Notwithstanding subsection (1), the availability of
4188 appraisal rights must be limited in accordance with the
4189 following provisions:

4190 (a) Appraisal rights are not available for holders of a
4191 membership interests that are:

4192 1. A covered security under section 18(b)(1)(A) or (B) of
4193 the Securities Act of 1933, as amended;

4194 2. Traded in an organized market and part of a class or
4195 series that has at least 2,000 members or other holders and a
4196 market value of at least \$20 million, exclusive of the value of
4197 such class or series of membership interests held by the limited
4198 liability company's subsidiaries, senior executives, managers,
4199 and beneficial members owning more than 10 percent of such class
4200 or series of membership interests; or

4201 3. Issued by an open-end management investment company
4202 registered with the Securities and Exchange Commission under the
4203 Investment Company Act of 1940 and subject to being redeemed at
4204 the option of the holder at net asset value.

4205 (b) The applicability of paragraph (a) shall be determined
4206 as of the date fixed to determine the members entitled to
4207 receive notice of and to vote upon the appraisal event, or the
4208 day before the effective date of such appraisal event if there
4209 is no meeting of the members to vote upon the appraisal event.

4210 (c) Subsection (4) does not apply to, and appraisal rights
4211 must be available pursuant to subsection (1) for, any members
4212 who are required by the appraisal event to accept for their
4213 membership interests anything other than cash or a proprietary
4214 interest in an entity that satisfies the standards provided in
4215 paragraph (a) at the time the appraisal event becomes effective.

4216 (d) Subsection (4) does not apply to, and appraisal rights
4217 must be available pursuant to subsection (1) for, the holder of
4218 a membership interest if:

4219 1. Any of the members' interests in the limited liability
4220 company or the limited liability company's assets are being
4221 acquired or converted, whether by merger, conversion, or
4222 otherwise, pursuant to the appraisal event by a person or by an
4223 affiliate of a person who:

4224 a. Is or at any time in the 1-year period immediately
4225 preceding approval of the appraisal event was the beneficial
4226 owner of 20 percent or more of those interests in the limited
4227 liability company entitled to vote on the appraisal event,
4228 excluding any such interests acquired pursuant to an offer for

4229 all interests having such voting rights, if such offer was made
 4230 within 1 year before the appraisal event for consideration of
 4231 the same kind and of a value equal to or less than that paid in
 4232 connection with the appraisal event; or

4233 b. Directly or indirectly has, or at any time in the 1-
 4234 year period immediately preceding approval of the appraisal
 4235 event had, the power, contractually or otherwise, to cause the
 4236 appointment or election of any senior executives or managers of
 4237 the limited liability company; or

4238 2. Any of the members' interests in the limited liability
 4239 company or the limited liability company's assets are being
 4240 acquired or converted, whether by merger, conversion, or
 4241 otherwise, pursuant to the appraisal event by a person, or by an
 4242 affiliate of a person, who is or at any time in the 1-year
 4243 period immediately preceding approval of the appraisal event was
 4244 a senior executive of the limited liability company or a senior
 4245 executive of any affiliate of the limited liability company, and
 4246 that senior executive will receive, as a result of the limited
 4247 liability company action, a financial benefit not generally
 4248 available to members, other than:

4249 a. Employment, consulting, retirement, or similar benefits
 4250 established separately and not as part, or in contemplation, of
 4251 the appraisal event;

4252 b. Employment, consulting, retirement, or similar benefits
 4253 established in contemplation, or as part, of the appraisal event
 4254 which are not more favorable than those existing before the
 4255 appraisal event or, if more favorable, which have been approved
 4256 by the limited liability company; or

4257 c. In the case of a manager of the limited liability
4258 company who will, during or as the result of the appraisal
4259 event, become a manager, general partner, or director of the
4260 surviving or converted entity or one of its affiliates, those
4261 rights and benefits as a manager, general partner, or director
4262 which are provided on the same basis as those afforded by the
4263 surviving or converted entity generally to other managers,
4264 general partners, or directors of the surviving or converted
4265 entity or its affiliate.

4266 (e) For the purposes of sub-subparagraph (4)(d)1.a., the
4267 term "beneficial owner" means a person who, directly or
4268 indirectly, through a contract, arrangement, or understanding,
4269 other than a revocable proxy, has or shares the right to vote or
4270 to direct the voting of an interest in a limited liability
4271 company with respect to approval of the appraisal event;
4272 however, a member of a national securities exchange may not be
4273 deemed to be a beneficial owner of an interest in a limited
4274 liability company held directly or indirectly by it on behalf of
4275 another person solely because the member is the record holder of
4276 interests in the limited liability company if the member is
4277 precluded by the rules of such exchange from voting without
4278 instruction on contested matters or matters that may
4279 substantially affect the rights or privileges of the holders of
4280 the interests in the limited liability company to be voted. If
4281 two or more persons agree to act together for the purpose of
4282 voting such interests, each member of the group formed thereby
4283 is deemed to have acquired beneficial ownership, as of the date
4284 of such agreement, of all voting interests in the limited

4285 liability company beneficially owned by a member or members of
 4286 the group.

4287 605.1021 Merger authorized.—

4288 (1) By complying with the provisions of ss. 605.1021-
 4289 605.1026:

4290 (a) One or more domestic limited liability companies may
 4291 merge with one or more domestic or foreign entities into a
 4292 domestic or foreign surviving entity; and

4293 (b) Two or more foreign entities may merge into a domestic
 4294 limited liability company.

4295 (2) By complying with the provisions of ss. 605.1021-
 4296 605.1026 which are applicable to foreign entities, a foreign
 4297 entity may be a party to a merger under the provisions of ss.
 4298 605.1021-605.1026 or may be the surviving entity in such a
 4299 merger if the merger is authorized by the law of the foreign
 4300 entity's jurisdiction of formation.

4301 (3) In the case of a merger involving a limited liability
 4302 company that is a not-for-profit company, the surviving limited
 4303 liability company or other business entity must also be a not-
 4304 for-profit entity.

4305 605.1022 Plan of merger.—

4306 (1) A domestic limited liability company may become a
 4307 party to a merger under the provisions of ss. 605.1021-605.1026
 4308 by approving a plan of merger. The plan must be in a record and
 4309 contain the following:

4310 (a) As to each merging entity, its name, jurisdiction of
 4311 formation, and type of entity.

4312 (b) The surviving entity in the merger.

4313 (c) The manner and basis of converting the interests and
4314 the rights to acquire interests in each party to the merger into
4315 interests, securities, obligations, money, other property,
4316 rights to acquire interests or securities, or any combination of
4317 the foregoing.

4318 (d) If the surviving entity exists before the merger, any
4319 proposed amendments to or restatements of its public organic
4320 record, or any proposed amendments to or restatements of its
4321 private organic rules, which are or are proposed to be in a
4322 record, and all such amendments or restatements that are
4323 effective at the effective date of the merger.

4324 (e) If the surviving entity is to be created in the
4325 merger, its proposed public organic record and the full text of
4326 its private organic rules that are proposed to be in a record,
4327 if any.

4328 (f) The other terms and conditions of the merger.

4329 (g) Any other provision required by the law of a merging
4330 entity's jurisdiction of formation or the organic rules of a
4331 merging entity.

4332 (2) In addition to the requirements under subsection (1),
4333 a plan of merger may contain any other provision not prohibited
4334 by law.

4335 605.1023 Approval of merger.—

4336 (1) A plan of merger is not effective unless it has been
4337 approved:

4338 (a) With respect to a domestic merging limited liability
4339 company, by a majority-in-interest of the members; and

4340 (b) In a record, by each member of a merging limited

4341 liability company which will have interest holder liability for
4342 debts, obligations, and other liabilities that arise after the
4343 merger becomes effective, unless:

4344 1. The organic rules of the company in a record provide
4345 for the approval of a merger in which some or all of its members
4346 become subject to interest holder liability by the vote or
4347 consent of fewer than all of the members; and

4348 2. The member consented in a record to or voted for that
4349 provision of the organic rules or became a member after the
4350 adoption of that provision.

4351 (2) A merger involving a domestic merging entity that is
4352 not a limited liability company is not effective unless the
4353 merger is approved by that entity in accordance with its organic
4354 law.

4355 (3) A merger involving a foreign merging entity is not
4356 effective unless the merger is approved by the foreign entity in
4357 accordance with the law of the foreign entity's jurisdiction of
4358 formation.

4359 (4) All members of each domestic limited liability company
4360 that is a party to the merger who have a right to vote upon the
4361 merger must be given written notice of any meeting with respect
4362 to the approval of a plan of merger as provided in subsection
4363 (1) not less than 10 days and not more than 60 days before the
4364 date of the meeting at which the plan of merger is submitted for
4365 approval by the members of such limited liability company. The
4366 notification required under this subsection may be waived in
4367 writing by the person or persons entitled to such notification.

4368 (5) The notification required under subsection (4) must be

4369 in writing and must include the following:

4370 (a) The date, time, and place of the meeting at which the
4371 plan of merger is to be submitted for approval by the members of
4372 the limited liability company.

4373 (b) A copy of the plan of merger.

4374 (c) The statement or statements required under s. 605.1006
4375 and ss. 605.1061-605.1072 regarding the availability of
4376 appraisal rights, if any, to members of the limited liability
4377 company.

4378 (d) The date on which such notification was mailed or
4379 delivered to the members.

4380 (6) In addition to the requirements under subsection (5),
4381 the notification required under subsection (4) may contain any
4382 other information concerning the plan of merger not prohibited
4383 by applicable law.

4384 (7) The notification required under subsection (4) is
4385 deemed to be given at the earliest date of:

4386 (a) The date such notification is received;

4387 (b) Five days after the date such notification is
4388 deposited in the United States mail addressed to the member at
4389 the member's address as it appears in the books and records of
4390 the limited liability company, with prepaid postage affixed;

4391 (c) The date shown on the return receipt if sent by
4392 registered or certified mail, return receipt requested, and the
4393 receipt is signed by or on behalf of the addressee; or

4394 (d) The date such notification is given in accordance with
4395 the provisions of the organic rules of the limited liability
4396 company.

4397 605.1024 Amendment or abandonment of plan of merger.—
 4398 (1) A plan of merger may be amended only with the consent
 4399 of each party to the plan except as otherwise provided in the
 4400 plan or in the organic rules of each such entity.
 4401 (2) A merging limited liability company may approve an
 4402 amendment of a plan of merger:
 4403 (a) In the same manner that the plan was approved if the
 4404 plan does not provide for the manner in which it may be amended;
 4405 or
 4406 (b) By the managers or members in the manner provided in
 4407 the plan, but a member who was entitled to vote on or consent to
 4408 the approval of the merger is entitled to vote on or consent to
 4409 an amendment of the plan which will change:
 4410 1. The amount or kind of interests, securities,
 4411 obligations, money, other property, rights to acquire interests
 4412 or securities, or any combination of the foregoing, to be
 4413 received by the interest holders of any party to the plan;
 4414 2. The public organic record, if any, or private organic
 4415 rules of the surviving entity which will be in effect
 4416 immediately after the merger becomes effective, except for
 4417 changes that do not require approval of the interest holders of
 4418 the surviving entity under its organic law or organic rules; or
 4419 3. Any other terms or conditions of the plan if the change
 4420 would adversely affect the member in any material respect.
 4421 (3) After a plan of merger has been approved and before
 4422 the articles of merger become effective, the plan may be
 4423 abandoned as provided in the plan. Unless prohibited by the
 4424 plan, a domestic merging limited liability company may abandon

4425 the plan in the same manner as the plan was approved.

4426 (4) If a plan of merger is abandoned after articles of
4427 merger have been delivered to the department for filing and
4428 before such articles of merger have become effective, a
4429 statement of abandonment, signed by a party to the plan, must be
4430 delivered to the department for filing before the articles of
4431 merger become effective. The statement of abandonment takes
4432 effect on filing, and the merger is abandoned and does not
4433 become effective. The statement of abandonment must contain the
4434 following:

4435 (a) The name of each party to the plan of merger.

4436 (b) The date on which the articles of merger were
4437 delivered to the department for filing.

4438 (c) A statement that the merger has been abandoned in
4439 accordance with this section.

4440 605.1025 Articles of merger.—

4441 (1) After a plan of merger is approved, articles of merger
4442 must be signed by each merging entity and delivered to the
4443 department for filing.

4444 (2) The articles of merger must contain the following:

4445 (a) The name, jurisdiction of formation, and type of
4446 entity of each merging entity that is not the surviving entity.

4447 (b) The name, jurisdiction of formation, and type of
4448 entity of the surviving entity.

4449 (c) A statement that the merger was approved by each
4450 domestic merging entity that is a limited liability company, if
4451 any, in accordance with the provisions of ss. 605.1021-605.1026;
4452 by each other merging entity, if any, in accordance with the law

4453 of its jurisdiction of formation; and by each member of such
4454 limited liability company who, as a result of the merger, will
4455 have interest holder liability under s. 605.1023(1)(b) and whose
4456 approval is required.

4457 (d) If the surviving entity exists before the merger and
4458 is a domestic filing entity, any amendment to its public organic
4459 record approved as part of the plan of merger.

4460 (e) If the surviving entity is created by the merger and
4461 is a domestic filing entity, its public organic record, as an
4462 attachment.

4463 (f) If the surviving entity is created by the merger and
4464 is a domestic limited liability partnership or domestic limited
4465 liability limited partnership, its statement of qualification,
4466 as an attachment.

4467 (g) If the surviving entity is a foreign entity that does
4468 not have a certificate of authority to transact business in this
4469 state, a mailing address to which the department may send any
4470 process served on the department pursuant to s. 605.0117 and
4471 chapter 48.

4472 (h) A statement that the surviving entity has agreed to
4473 pay to any members of any limited liability company with
4474 appraisal rights the amount to which such members are entitled
4475 under the provisions of s. 605.1006 and ss. 605.1061-605.1072.

4476 (i) The effective date of the merger if the effective date
4477 of the merger is not the same as the date of filing of the
4478 articles of merger, subject to the limitations contained in s.
4479 605.0207.

4480 (3) In addition to the requirements of subsection (2),

4481 articles of merger may contain any other provision not
4482 prohibited by law.

4483 (4) A merger becomes effective when the articles of merger
4484 become effective, unless the articles of merger specify an
4485 effective time or a delayed effective date that complies with s.
4486 605.0207.

4487 (5) A copy of the articles of merger, certified by the
4488 department, may be filed in the official records of any county
4489 in this state in which any party to the merger holds an interest
4490 in real property.

4491 (6) A limited liability company is not required to deliver
4492 articles of merger for filing pursuant to subsection (1) if the
4493 limited liability company is named as a merging entity or
4494 surviving entity in articles of merger or a certificate of
4495 merger filed for the same merger in accordance with s. 607.1109,
4496 s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and if such
4497 articles of merger or certificate of merger substantially comply
4498 with the requirements of this section. In such a case, the other
4499 articles of merger or certificate of merger may also be used for
4500 purposes of subsection (5).

4501 605.1026 Effect of merger.—

4502 (1) When a merger becomes effective:

4503 (a) The surviving entity continues in existence;

4504 (b) Each merging entity that is not the surviving entity
4505 ceases to exist;

4506 (c) All property of each merging entity vests in the
4507 surviving entity without transfer, reversion or impairment;

4508 (d) All debts, obligations, and other liabilities of each

4509 merging entity are debts, obligations, and other liabilities of
4510 the surviving entity;

4511 (e) Except as otherwise provided by law or the plan of
4512 merger, all the rights, privileges, immunities, powers, and
4513 purposes of each merging entity vest in the surviving entity;

4514 (f) If the surviving entity exists before the merger:

4515 1. All its property continues to be vested in it without
4516 transfer, reversion, or impairment;

4517 2. It remains subject to all of its debts, obligations,
4518 and other liabilities; and

4519 3. All of its rights, privileges, immunities, powers, and
4520 purposes continue to be vested in it;

4521 (g) The name of the surviving entity may be substituted
4522 for the name of any merging entity that is a party to any
4523 pending action or proceeding;

4524 (h) If the surviving entity exists before the merger:

4525 1. Its public organic record, if any, is amended as
4526 provided in the articles of merger; and

4527 2. Its private organic rules that are to be in a record,
4528 if any, are amended to the extent provided in the plan of
4529 merger;

4530 (i) If the surviving entity is created by the merger:

4531 1. Its public organic record, if any, is effective; and

4532 2. Its private organic rules are effective; and

4533 (j) The interests or rights to acquire interests in each
4534 merging entity which are to be converted in the merger are
4535 converted, and the interest holders of those interests are
4536 entitled only to the rights provided to them under the plan of

4537 merger and to any appraisal rights they have under s. 605.1006
4538 and ss. 605.1061-605.1072 and the merging entity's organic law.

4539 (2) Except as otherwise provided in the organic law or
4540 organic rules of a merging entity:

4541 (a) The merger does not give rise to any rights that an
4542 interest holder, governor, or third party would have upon a
4543 dissolution, liquidation, or winding up of the merging entity;
4544 and

4545 (b) The merging entity is not required to wind up its
4546 affairs, pay its liabilities, and distribute its assets under
4547 ss. 605.0701-605.0717, and the merger shall not constitute a
4548 dissolution of the merging entity.

4549 (3) When a merger becomes effective, a person who did not
4550 have interest holder liability with respect to any of the
4551 merging entities and becomes subject to interest holder
4552 liability with respect to a domestic entity as a result of the
4553 merger will have interest holder liability only to the extent
4554 provided by the organic law of that entity and only for those
4555 debts, obligations, and other liabilities that arise after the
4556 merger becomes effective.

4557 (4) When a merger becomes effective, the interest holder
4558 liability of a person who ceases to hold an interest in a
4559 domestic merging entity with respect to which the person had
4560 interest holder liability is as follows:

4561 (a) The merger does not discharge an interest holder
4562 liability under the organic law of the domestic merging entity
4563 to the extent the interest holder liability arose before the
4564 merger became effective.

4565 (b) The person does not have interest holder liability
4566 under the organic law of the domestic merging entity for a debt,
4567 obligation, or other liability that arises after the merger
4568 becomes effective.

4569 (c) The organic law of the domestic merging entity and any
4570 rights of contribution provided under such law, or the organic
4571 rules of the domestic merging entity, continue to apply to the
4572 release, collection, or discharge of any interest holder
4573 liability preserved under paragraph (a) as if the merger had not
4574 occurred and the surviving entity were the domestic merging
4575 entity.

4576 (5) When a merger becomes effective, a foreign entity that
4577 is the surviving entity may be served with process in this state
4578 for the collection and enforcement of any debts, obligations, or
4579 other liabilities of a domestic merging entity as provided in s.
4580 605.0117 and chapter 48.

4581 (6) When a merger becomes effective, the certificate of
4582 authority to transact business in this state of any foreign
4583 merging entity that is not the surviving entity is canceled.

4584 605.1031 Interest exchange authorized.—

4585 (1) By complying with the provisions of ss. 605.1031-
4586 605.1036:

4587 (a) A domestic limited liability company may acquire all
4588 of one or more classes or series of interests of another
4589 domestic or foreign entity, or rights to acquire one or more
4590 classes or series of any such interests, in exchange for
4591 interests, securities, obligations, money, other property,
4592 rights to acquire interests or securities, or any combination of

4593 | the foregoing; or

4594 | (b) All of one or more classes or series of interests of a
4595 | domestic limited liability company or rights to acquire one or
4596 | more classes or series of any such interests may be acquired by
4597 | another domestic or foreign entity in exchange for interests,
4598 | securities, obligations, money, other property, rights to
4599 | acquire interests or securities, or any combination of the
4600 | foregoing.

4601 | (2) By complying with the provisions of ss. 605.1031-
4602 | 605.1036 which are applicable to foreign entities, a foreign
4603 | entity may be the acquiring or acquired entity in an interest
4604 | exchange completed under the provisions of ss. 605.1031-605.1036
4605 | if the interest exchange is authorized by the organic law in the
4606 | foreign entity's jurisdiction of formation.

4607 | (3) If a protected agreement contains a provision that
4608 | applies to a merger of a domestic limited liability company but
4609 | does not refer to an interest exchange, the provision applies to
4610 | an interest exchange in which the domestic limited liability
4611 | company is the acquired entity as if the interest exchange were
4612 | a merger until the provision is amended after January 1, 2014.

4613 | 605.1032 Plan of interest exchange.-

4614 | (1) A domestic limited liability company may be the
4615 | acquired entity in an interest exchange under the provisions of
4616 | ss. 605.1031-605.1036 by approving a plan of interest exchange.
4617 | The plan must be in a record and contain the following:

4618 | (a) The name of the acquired entity.

4619 | (b) The name, jurisdiction of formation, and type of
4620 | entity of the acquiring entity.

4621 (c) The manner and basis of converting the interests and
4622 the rights to acquire interests of the members of each limited
4623 liability company that is to be an acquired entity into
4624 interests, securities, obligations, money, other property,
4625 rights to acquire interests or securities, or any combination of
4626 the foregoing.

4627 (d) If the acquired entity is a domestic limited liability
4628 company, any proposed amendments to or restatements of its
4629 public organic record or any amendments to or restatements of
4630 its private organic rules that are or are proposed to be in a
4631 record and all such amendments or restatements are effective at
4632 the effective date of the interest exchange.

4633 (e) The other terms and conditions of the interest
4634 exchange.

4635 (f) Any other provision required by the law of an acquired
4636 entity's jurisdiction of formation, the organic rules of the
4637 acquired entity, the organic rules of an acquiring entity, or
4638 the law of the jurisdiction of formation of the acquiring
4639 entity.

4640 (2) In addition to the requirements of subsection (1), a
4641 plan of interest exchange may contain any other provision not
4642 prohibited by law.

4643 605.1033 Approval of interest exchange.—

4644 (1) A plan of interest exchange is not effective unless it
4645 has been approved:

4646 (a) With respect to a domestic limited liability company
4647 that is the acquired entity in the interest exchange, by a
4648 majority-in-interest of the members of such company; and

4649 (b) In a record, by each member of the domestic acquired
4650 limited liability company that will have interest holder
4651 liability for debts, obligations, and other liabilities that
4652 arise after the interest exchange becomes effective, unless:

4653 1. The organic rules of the company in a record provide
4654 for the approval of an interest exchange or a merger in which
4655 some or all of its members become subject to interest holder
4656 liability by the vote or consent of fewer than all the members;
4657 and

4658 2. The member consented in a record to or voted for that
4659 provision of the organic rules or became a member after the
4660 adoption of that provision.

4661 (2) An interest exchange involving a domestic acquired
4662 entity that is not a limited liability company is not effective
4663 unless it is approved by the domestic entity in accordance with
4664 its organic law.

4665 (3) An interest exchange involving a foreign acquired
4666 entity is not effective unless it is approved by the foreign
4667 entity in accordance with the law of the foreign entity's
4668 jurisdiction of formation.

4669 (4) Except as otherwise provided in its organic law or
4670 organic rules, the interest holders of the acquiring entity are
4671 not required to approve the interest exchange.

4672 (5) All members of each domestic limited liability company
4673 that is a party to the interest exchange and who have a right to
4674 vote upon the interest exchange must be given written notice of
4675 any meeting with respect to the approval of a plan of interest
4676 exchange as provided in subsection (1) not less than 10 days and

4677 not more than 60 days before the date of the meeting at which
4678 the plan of interest exchange is submitted for approval by the
4679 members of such limited liability company. The notification
4680 required under this subsection may be waived in writing by the
4681 person entitled to such notification.

4682 (6) The notification required under subsection (5) must be
4683 in writing and must include the following:

4684 (a) The date, time, and place of the meeting at which the
4685 plan of interest exchange is to be submitted for approval by the
4686 members of the limited liability company.

4687 (b) A copy of the plan of interest exchange.

4688 (c) The statement or statements required under s. 605.1006
4689 and ss. 605.1061-605.1072 regarding the availability of
4690 appraisal rights, if any, to members of the limited liability
4691 company.

4692 (d) The date on which such notification was mailed or
4693 delivered to the members.

4694 (7) In addition to the requirements of subsection (6), the
4695 notification required under subsection (5) may contain any other
4696 information concerning the plan of interest exchange not
4697 prohibited by applicable law.

4698 (8) The notification required under subsection (5) is
4699 deemed to be given at the earliest date of:

4700 (a) The date the notification is received;

4701 (b) Five days after the date such notification is
4702 deposited in the United States mail addressed to the member at
4703 the member's address as it appears in the books and records of
4704 the limited liability company, with prepaid postage affixed;

4705 (c) The date shown on the return receipt, if sent by
 4706 registered or certified mail, return receipt requested, and if
 4707 the receipt is signed by or on behalf of the addressee; or

4708 (d) The date such notification is given in accordance with
 4709 the provisions of the organic rules of the limited liability
 4710 company.

4711 605.1034 Amendment or abandonment of plan of interest
 4712 exchange.—

4713 (1) A plan of interest exchange may be amended only with
 4714 the consent of each party to the plan, except as otherwise
 4715 provided in the plan or in the organic rules of each such
 4716 entity.

4717 (2) A domestic acquired limited liability company may
 4718 approve an amendment of a plan of interest exchange:

4719 (a) In the same manner as the plan was approved, if the
 4720 plan does not provide for the manner in which it may be amended;
 4721 or

4722 (b) By the managers or members in the manner provided in
 4723 the plan, but a member who was entitled to vote on or consent to
 4724 approval of the interest exchange is entitled to vote on or
 4725 consent to any amendment of the plan which will change:

4726 1. The amount or kind of interests, securities,
 4727 obligations, money, other property, rights to acquire interests
 4728 or securities, or any combination of the foregoing, to be
 4729 received by the interest holders of any party to the plan;

4730 2. The public organic record, if any, or private organic
 4731 rules of the acquired entity which will be in effect immediately
 4732 after the interest exchange becomes effective, except for

4733 changes that do not require approval of the interest holders of
4734 the acquired entity under its organic law or organic rules; or

4735 3. Any other terms or conditions of the plan, if the
4736 change would adversely affect the member in any material
4737 respect.

4738 (3) After a plan of interest exchange has been approved
4739 and before such articles of interest exchange become effective,
4740 the plan may be abandoned as provided in the plan. Unless
4741 prohibited by the plan, a domestic limited liability company may
4742 abandon the plan in the same manner as the plan was approved.

4743 (4) If a plan of interest exchange is abandoned after
4744 articles of interest exchange have been delivered to the
4745 department for filing and before such articles of interest
4746 exchange have become effective, a statement of abandonment,
4747 signed by a party to the plan, must be delivered to the
4748 department for filing before the articles of interest exchange
4749 become effective. The statement of abandonment takes effect on
4750 filing, and the interest exchange is abandoned and does not
4751 become effective. The statement of abandonment must contain the
4752 following:

4753 (a) The name of each party to the plan of interest
4754 exchange.

4755 (b) The date on which the articles of interest exchange
4756 were delivered to the department for filing.

4757 (c) A statement that the interest exchange has been
4758 abandoned in accordance with this section.

4759 605.1035 Articles of interest exchange.—

4760 (1) After a plan of interest exchange has been approved,

4761 articles of interest exchange must be signed by each party to
4762 the interest exchange and delivered to the department for
4763 filing.

4764 (2) The articles of interest exchange must contain the
4765 following:

4766 (a) The name of the acquired limited liability company.

4767 (b) The name, jurisdiction of formation, and type of
4768 entity of the acquiring entity.

4769 (c) A statement that the plan of interest exchange was
4770 approved by the acquired limited liability entity in accordance
4771 with the provisions of ss. 605.1031-605.1036 and by each member
4772 of such limited liability company who, as a result of the
4773 interest exchange, will have interest holder liability under s.
4774 605.1033(1)(b) and whose approval is required.

4775 (d) Any amendments to the acquired limited liability
4776 company's public organic record approved as part of the plan of
4777 interest exchange.

4778 (e) A statement that the plan of interest exchange was
4779 approved by each acquiring entity that is a party to the
4780 interest exchange in accordance with the organic laws in its
4781 jurisdiction of formation, or if such approval was not required,
4782 a statement to that effect.

4783 (f) A statement that the acquiring entity has agreed to
4784 pay to any members of the acquired entity with appraisal rights
4785 the amount to which such members are entitled under s. 605.1006
4786 and ss. 605.1061-605.1072.

4787 (g) The effective date of the interest exchange, if the
4788 effective date of the interest exchange is not the same as the

4789 date of filing of the articles of interest exchange, subject to
4790 the limitations in s. 605.0207.

4791 (3) In addition to the requirements of subsection (2),
4792 articles of interest exchange may include any other provision
4793 not prohibited by law.

4794 (4) An interest exchange becomes effective when the
4795 articles of interest exchange become effective, unless the
4796 articles of interest exchange specify an effective time or a
4797 delayed effective date that complies with s. 605.0207.

4798 (5) A limited liability company is not required to deliver
4799 articles of interest exchange for filing pursuant to subsection
4800 (1) if the domestic limited liability company is named as an
4801 acquired entity or as an acquiring entity in the articles of
4802 share exchange filed for the same interest exchange in
4803 accordance with s. 607.1105(1) and if such articles of share
4804 exchange substantially comply with the requirements of this
4805 section.

4806 605.1036 Effect of interest exchange.—

4807 (1) When an interest exchange in which the acquired entity
4808 is a domestic limited liability company becomes effective:

4809 (a) The interests in a domestic company which are the
4810 subject of the interest exchange cease to exist or are converted
4811 or exchanged, and the members holding those interests are
4812 entitled only to the rights provided to them under the plan of
4813 interest exchange and to any appraisal rights they have under s.
4814 605.1006 and ss. 605.1061-605.1072;

4815 (b) The acquiring entity becomes the interest holder of
4816 the interests in the acquired entity stated in the plan of

4817 interest exchange to be acquired by the acquiring entity;
4818 (c) The public organic record of the acquired entity is
4819 amended as provided in the articles of interest exchange; and
4820 (d) The provisions of the private organic rules of the
4821 acquired entity that are to be in a record, if any, are amended
4822 to the extent provided in the plan of interest exchange.
4823 (2) Except as otherwise provided in the organic rules of
4824 the acquired limited liability company, the interest exchange
4825 does not give rise to any rights that a member, manager, or
4826 third party would have upon a dissolution, liquidation, or
4827 winding up of the acquired entity.
4828 (3) When an interest exchange becomes effective, a person
4829 who did not have interest holder liability with respect to a
4830 domestic acquired limited liability company and who becomes
4831 subject to interest holder liability with respect to a domestic
4832 entity as a result of the interest exchange will have interest
4833 holder liability only to the extent provided by the organic law
4834 of the entity and only for those debts, obligations, and other
4835 liabilities that arise after the interest exchange becomes
4836 effective.
4837 (4) When an interest exchange becomes effective, the
4838 interest holder liability of a person who ceases to hold an
4839 interest in a domestic acquired limited liability company with
4840 respect to which the person had interest holder liability is as
4841 follows:
4842 (a) The interest exchange does not discharge any interest
4843 holder liability to the extent the interest holder liability
4844 arose before the interest exchange became effective.

4845 (b) The person does not have interest holder liability for
4846 any debt, obligation, or other liability that arises after the
4847 interest exchange becomes effective.

4848 (c) The organic law of the acquired entity's jurisdiction
4849 of formation and any rights of contribution provided by such
4850 law, or under the organic rules of the acquired entity, continue
4851 to apply to the release, collection, or discharge of any
4852 interest holder liability preserved under paragraph (a) as if
4853 the interest exchange had not occurred.

4854 605.1041 Conversion authorized.-

4855 (1) By complying with the provisions of ss. 605.1041-
4856 605.1046, a domestic limited liability company may become:

4857 (a) A domestic entity that is a different type of entity;
4858 or

4859 (b) A foreign entity that is a limited liability company
4860 or a different type of entity, if the conversion is authorized
4861 by the law of the foreign entity's jurisdiction of formation.

4862 (2) By complying with the provisions of ss. 605.1041-
4863 605.1046, which are applicable to a domestic entity that is not
4864 a domestic limited liability company, the domestic entity may
4865 become a domestic limited liability company if the conversion is
4866 authorized by the law governing the domestic entity.

4867 (3) By complying with the provisions of ss. 605.1041-
4868 608.1046 which are applicable to foreign entities, a foreign
4869 entity may become a domestic limited liability company if the
4870 conversion is authorized by the law of the foreign entity's
4871 jurisdiction of formation.

4872 (4) If a protected agreement contains a provision that

4873 applies to a merger of a domestic limited liability company but
4874 does not refer to a conversion, the provision applies to a
4875 conversion of the entity as if the conversion were a merger
4876 until the provision is amended after January 1, 2014.

4877 605.1042 Plan of conversion.—

4878 (1) A domestic limited liability company may convert into
4879 a different type of domestic entity or into a foreign entity
4880 that is a foreign limited liability company or a different type
4881 of foreign entity by approving a plan of conversion. The plan
4882 must be in a record and contain the following:

4883 (a) The name of the converting limited liability company.

4884 (b) The name, jurisdiction of formation, and type of
4885 entity of the converted entity.

4886 (c) The manner and basis of converting the interests and
4887 rights to acquire interests in the converting limited liability
4888 company into interests, securities, obligations, money, other
4889 property, rights to acquire interests or securities, or any
4890 combination of the foregoing.

4891 (d) The proposed public organic record of the converted
4892 entity, if it will be a filing entity.

4893 (e) The full text of the private organic rules of the
4894 converted entity which are proposed to be in a record, if any.

4895 (f) Any other provision required by the law of this state
4896 or the organic rules of the converted limited liability company,
4897 if the entity is to be an entity other than a domestic limited
4898 liability company.

4899 (g) All other statements required to be set forth in a
4900 plan of conversion by the law of the jurisdiction of formation

4901 of the converted entity following the conversion.

4902 (2) In addition to the requirements of subsection (1), a
 4903 plan of conversion may contain any other provision not
 4904 prohibited by law.

4905 605.1043 Approval of conversion.—

4906 (1) A plan of conversion is not effective unless it has
 4907 been approved:

4908 (a) If the converting entity is a domestic limited
 4909 liability company, by a majority-in-interest of the members of
 4910 such company who have a right to vote upon the conversion; and

4911 (b) In a record, by each member of a converting limited
 4912 liability company which will have interest holder liability for
 4913 debts, obligations, and other liabilities that arise after the
 4914 conversion becomes effective, unless:

4915 1. The organic rules of the company in a record provide
 4916 for the approval of a conversion in which some or all of its
 4917 members become subject to interest holder liability by the vote
 4918 or consent of less than all of the members; and

4919 2. The member consented in a record to or voted for that
 4920 provision of the organic rules or became a member after the
 4921 adoption of that provision.

4922 (2) A conversion involving a domestic converting entity
 4923 that is not a limited liability company is not effective unless
 4924 it is approved by the domestic converting entity in accordance
 4925 with its organic law.

4926 (3) A conversion of a foreign converting entity is not
 4927 effective unless it is approved by the foreign entity in
 4928 accordance with the law of the foreign entity's jurisdiction of

4929 formation.

4930 (4) If the converting entity is a domestic limited
4931 liability company, all members of the company who have the right
4932 to vote upon the conversion must be given written notice of a
4933 meeting with respect to the approval of a plan of conversion as
4934 provided in subsection (1) not less than 10 days and not more
4935 than 60 days before the date of the meeting at which the plan of
4936 conversion is submitted for approval by the members of such
4937 limited liability company. The notification required under this
4938 subsection may be waived in writing by the person or persons
4939 entitled to such notification.

4940 (5) The notification required under subsection (4) must be
4941 in writing and include the following:

4942 (a) The date, time, and place of the meeting at which the
4943 plan of conversion is to be submitted for approval by the
4944 members of the limited liability company.

4945 (b) A copy of the plan of conversion.

4946 (c) The statement or statements required under s. 605.1006
4947 and ss. 605.1061-605.1072 regarding the availability of
4948 appraisal rights, if any, to members of the limited liability
4949 company.

4950 (d) The date on which such notification was mailed or
4951 delivered to the members.

4952 (6) In addition to the requirements of subsection (5), the
4953 notification required under subsection (4) may contain any other
4954 information concerning the plan of conversion not prohibited by
4955 applicable law.

4956 (7) The notification required under subsection (4) is

4957 | deemed to be given at the earliest date of:

4958 | (a) The date the notification is received;

4959 | (b) Five days after the date the notification is deposited

4960 | in the United States mail addressed to the member at the

4961 | member's address as it appears in the books and records of the

4962 | limited liability company, with prepaid postage affixed;

4963 | (c) The date shown on the return receipt, if sent by

4964 | registered or certified mail, return receipt requested, and if

4965 | the receipt is signed by or on behalf of the addressee; or

4966 | (d) The date the notification is given in accordance with

4967 | the organic rules of the limited liability company.

4968 | 605.1044 Amendment or abandonment of plan of conversion.—

4969 | (1) A plan of conversion of a domestic converting limited

4970 | liability company may be amended:

4971 | (a) In the same manner as the plan was approved, if the

4972 | plan does not provide for the manner in which it may be amended;

4973 | or

4974 | (b) By the managers or members of the entity in the manner

4975 | provided in the plan, but a member who was entitled to vote on

4976 | or consent to approval of the conversion is entitled to vote on

4977 | or consent to an amendment of the plan which will change:

4978 | 1. The amount or kind of interests, securities,

4979 | obligations, money, other property, rights to acquire interests

4980 | or securities, or any combination of the foregoing, to be

4981 | received by the interest holders of the converting entity under

4982 | the plan;

4983 | 2. The public organic record, if any, or private organic

4984 | rules of the converted entity which will be in effect

4985 immediately after the conversion becomes effective, except for
 4986 changes that do not require approval of the interest holders of
 4987 the converting entity under its organic law or organic rules; or

4988 3. Any other terms or conditions of the plan, if the
 4989 change would adversely affect the interest holder in any
 4990 material respect.

4991 (2) After a plan of conversion has been approved and
 4992 before the articles of conversion become effective, the plan may
 4993 be abandoned as provided in the plan. Unless prohibited by the
 4994 plan, a domestic converting limited liability company may
 4995 abandon the plan in the same manner as the plan was approved.

4996 (3) If a plan of conversion is abandoned after articles of
 4997 conversion have been delivered to the department for filing and
 4998 before such articles of conversion have become effective, a
 4999 statement of abandonment, signed by the converting entity, must
 5000 be delivered to the department for filing before the articles of
 5001 conversion become effective. The statement of abandonment takes
 5002 effect on filing, and the conversion is abandoned and does not
 5003 become effective. The statement of abandonment must contain the
 5004 following:

5005 (a) The name of the converting limited liability company.

5006 (b) The date on which the articles of conversion were
 5007 delivered to the department for filing.

5008 (c) A statement that the conversion has been abandoned in
 5009 accordance with this section.

5010 605.1045 Articles of conversion.—

5011 (1) After a plan of conversion is approved, articles of
 5012 conversion signed by the converting entity must be delivered to

5013 the department for filing.

5014 (2) The articles of conversion must contain the following:

5015 (a) The name, jurisdiction of formation, and type of
5016 entity of the converting entity.

5017 (b) The name, jurisdiction of formation, and type of
5018 entity of the converted entity.

5019 (c) If the converting entity is a domestic limited
5020 liability company, a statement that the plan of conversion has
5021 been approved in accordance with ss. 605.1041-605.1046, or if
5022 the converting entity is a foreign entity, a statement that the
5023 conversion was approved by the foreign converting entity in
5024 accordance with the law of its jurisdiction of formation and by
5025 each member of the converting entity who as a result of the
5026 conversion will have interest holder liability under s.
5027 605.1043(1)(b) and whose approval is required.

5028 (d) If the converted entity is a domestic filing entity,
5029 the text of its public organic record, as an attachment.

5030 (e) If the converted entity is a domestic limited
5031 liability partnership, the text of its statement of
5032 qualification, as an attachment.

5033 (f) If the converted entity is a foreign entity that does
5034 not have a certificate of authority to transact business in this
5035 state, a mailing address to which the department may send any
5036 process served on the department pursuant to s. 605.0117 and
5037 chapter 48.

5038 (g) A statement that the converted entity has agreed to
5039 pay to the members of any limited liability company with
5040 appraisal rights the amount to which such members are entitled

5041 under s. 605.1006 and ss. 605.1061-605.1072.

5042 (h) The effective date of the conversion, if the effective
5043 date of the conversion is not the same as the date of filing of
5044 the articles of conversion, subject to the limitations contained
5045 in s. 605.0207.

5046 (3) In addition to the requirements of subsection (2),
5047 articles of conversion may contain any other provision not
5048 prohibited by law.

5049 (4) A conversion becomes effective when the articles of
5050 conversion become effective, unless the articles of conversion
5051 specify an effective time or a delayed effective date that
5052 complies with s. 605.0207.

5053 (5) A copy of the articles of conversion, certified by the
5054 department, may be filed in the official records of any county
5055 in this state in which the converted entity holds an interest in
5056 real property.

5057 605.1046 Effect of conversion.-

5058 (1) When a conversion in which the converted entity is a
5059 domestic limited liability company becomes effective:

5060 (a) The converted entity is:

5061 1. Organized under and subject to this chapter; and

5062 2. The same entity, without interruption, as the
5063 converting entity.

5064 (b) All property of the converting entity continues to be
5065 vested in the converted entity without transfer, reversion, or
5066 impairment;

5067 (c) All debts, obligations, and other liabilities of the
5068 converting entity continue as debts, obligations, and other

5069 | liabilities of the converted entity;

5070 | (d) Except as otherwise provided by law or the plan of
5071 | conversion, all the rights, privileges, immunities, powers, and
5072 | purposes of the converting entity remain in the converted
5073 | entity;

5074 | (e) The name of the converted entity may be substituted
5075 | for the name of the converting entity in any pending action or
5076 | proceeding;

5077 | (f) The provisions of the organic rules of the converted
5078 | entity which are to be in a record, if any, approved as part of
5079 | the plan of conversion are effective; and

5080 | (g) The interests or rights to acquire interests in the
5081 | converting entity are converted, and the interest holders of the
5082 | converting entity are entitled only to the rights provided to
5083 | them under the plan of conversion and to any appraisal rights
5084 | they have under s. 605.1006 and ss. 605.1061-605.1072 and the
5085 | converting entity's organic law.

5086 | (2) Except as otherwise provided in the private organic
5087 | rules of a domestic converting limited liability company, the
5088 | conversion does not give rise to any rights that a member,
5089 | manager, or third party would otherwise have upon a dissolution,
5090 | liquidation, or winding up of the converting entity.

5091 | (3) When a conversion becomes effective, a person who did
5092 | not have interest holder liability with respect to the
5093 | converting entity and becomes subject to interest holder
5094 | liability with respect to a domestic entity as a result of the
5095 | conversion has interest holder liability only to the extent
5096 | provided by the organic law of the entity and only for those

5097 debts, obligations, and other liabilities that arise after the
5098 conversion becomes effective.

5099 (4) When a conversion becomes effective, the interest
5100 holder liability of a person who ceases to hold an interest in a
5101 domestic limited liability company with respect to which the
5102 person had interest holder liability is as follows:

5103 (a) The conversion does not discharge interest holder
5104 liability to the extent the interest holder liability arose
5105 before the conversion became effective.

5106 (b) The person does not have interest holder liability for
5107 any debt, obligation, or other liability that arises after the
5108 conversion becomes effective.

5109 (c) The organic law of the jurisdiction of formation of
5110 the converting limited liability company and the rights of
5111 contribution provided under such law, or the organic rules of
5112 the converting limited liability company, continue to apply to
5113 the release, collection, or discharge of any interest holder
5114 liability preserved under paragraph (a) as if the conversion had
5115 not occurred.

5116 (5) When a conversion becomes effective, a foreign entity
5117 that is the converted entity may be served with process in this
5118 state for the collection and enforcement of its debts,
5119 obligations, and liabilities as provided in s. 605.0117 and
5120 chapter 48.

5121 (6) If the converting entity is a registered foreign
5122 entity, the certificate of authority to conduct business in this
5123 state of the converting entity is canceled when the conversion
5124 becomes effective.

5125 (7) A conversion does not require the entity to wind up
5126 its affairs and does not constitute or cause the dissolution of
5127 the entity.

5128 605.1051 Domestication authorized.—By complying with ss.
5129 605.1051-605.1056, a non-United States entity may become a
5130 domestic limited liability company if the domestication is
5131 authorized under the organic law of the non-United States
5132 entity's jurisdiction of formation.

5133 605.1052 Plan of domestication.—

5134 (1) A non-United States entity may become a domestic
5135 limited liability company by approving a plan of domestication.
5136 The plan of domestication must be in a record and contain the
5137 following:

5138 (a) The name and jurisdiction of formation of the
5139 domesticating entity.

5140 (b) If applicable, the manner and basis of converting the
5141 interests and rights to acquire interests in the domesticating
5142 entity into interests, securities, obligations, money, other
5143 property, rights to acquire interests or securities, or any
5144 combination of the foregoing.

5145 (c) The proposed public organic record of the
5146 domesticating entity in this state.

5147 (d) The full text of the proposed private organic rules of
5148 the domesticated entity that are to be in a record, if any.

5149 (e) Any other provision required by the law of the
5150 jurisdiction of formation of the domesticating entity or the
5151 organic rules of the domesticating entity.

5152 (2) In addition to the requirements of subsection (1), a

5153 | plan of domestication may contain any other provision not
 5154 | prohibited by law.

5155 | 605.1053 Approval of domestication.—A plan of
 5156 | domestication of a domesticating entity shall be approved:

5157 | (1) In accordance with the organic law of the
 5158 | domesticating entity's jurisdiction of formation; and

5159 | (2) In a record, by each of the domesticating entity's
 5160 | owners who will have interest holder liability for debts,
 5161 | obligations, and other liabilities that arise after the
 5162 | domestication becomes effective, unless:

5163 | (a) The organic rules of the domesticating entity in a
 5164 | record provide for the approval of a domestication in which some
 5165 | or all of the persons who are its owners become subject to
 5166 | interest holder liability by the vote or consent of fewer than
 5167 | all of the persons who are its owners; and

5168 | (b) The person who will be a member of the domesticated
 5169 | limited liability company consented in a record to or voted for
 5170 | that provision of the organic rules of the domesticating entity
 5171 | or became an owner of the domesticating entity after the
 5172 | adoption of that provision.

5173 | 605.1054 Amendment or abandonment of plan of
 5174 | domestication.—

5175 | (1) A plan of domestication of a domesticating entity may
 5176 | be amended:

5177 | (a) In the same manner as the plan was approved if the
 5178 | plan does not provide for the manner in which it may be amended;
 5179 | or

5180 | (b) By the interest holders of the domesticating entity in

5181 the manner provided in the plan, but an owner who was entitled
 5182 to vote on or consent to approval of the domestication is
 5183 entitled to vote on or consent to any amendment of the plan that
 5184 will change:

5185 1. If applicable, the amount or kind of interests,
 5186 securities, obligations, money, other property, rights to
 5187 acquire interests or securities, or any combination of the
 5188 foregoing, to be received by the interest holders of the
 5189 domesticating entity under the plan;

5190 2. The public organic record, if any, or private organic
 5191 rules of the domesticated limited liability company which will
 5192 be in effect immediately after the domestication becomes
 5193 effective except for changes that do not require approval of the
 5194 interest holders of the domesticating entity under its organic
 5195 law or organic rules; or

5196 3. Any other terms or conditions of the plan, if the
 5197 change would adversely affect the interest holder in any
 5198 material respect.

5199 (2) After a plan of domestication has been approved and
 5200 before the articles of domestication become effective, the plan
 5201 may be abandoned as provided in the plan. Unless prohibited by
 5202 the plan, the domesticating entity may abandon the plan in the
 5203 same manner as the plan was approved.

5204 (3) If a plan of domestication is abandoned after articles
 5205 of domestication have been delivered to the department for
 5206 filing and before such articles of domestication have become
 5207 effective, a statement of abandonment, signed by the
 5208 domesticating entity, must be delivered to the department for

5209 | filing before the articles of domestication become effective.
 5210 | The statement of abandonment takes effect on filing, and the
 5211 | domestication is abandoned and does not become effective. The
 5212 | statement of abandonment must contain the following:
 5213 | (a) The name of the domesticating entity.
 5214 | (b) The date on which the articles of domestication were
 5215 | delivered to the department for filing.
 5216 | (c) A statement that the domestication has been abandoned
 5217 | in accordance with this section.
 5218 | 605.1055 Articles of domestication.-
 5219 | (1) The articles of domestication must be filed with the
 5220 | department. The articles of domestication must contain the
 5221 | following:
 5222 | (a) The date on which the domesticating entity was first
 5223 | formed, incorporated, created, or otherwise came into being.
 5224 | (b) The name of the domesticating entity immediately
 5225 | before the filing of the articles of domestication.
 5226 | (c) The articles of organization of the domesticated
 5227 | limited liability company, as an attachment.
 5228 | (d) The effective date of the domestication as a limited
 5229 | liability company, if the effective date of the domestication is
 5230 | not the same as the date of filing of the articles of
 5231 | domestication, subject to the limitations contained in s.
 5232 | 605.0207.
 5233 | (e) The jurisdiction that constituted the seat, siege
 5234 | social, or principal place of business or central administration
 5235 | of the domesticating entity, or any other equivalent thereto
 5236 | under the law of the jurisdiction of formation, immediately

5237 | before the filing of the articles of domestication.

5238 | (f) A statement that the domestication has been approved
 5239 | in accordance with the laws of the jurisdiction of formation of
 5240 | the domesticating entity.

5241 | (2) In addition to the requirements of subsection (1),
 5242 | articles of domestication may contain any other provision not
 5243 | prohibited by law.

5244 | (3) The articles of domestication which are filed with the
 5245 | department must be accompanied by a certificate of status or
 5246 | equivalent document, if any, from the domesticating entity's
 5247 | jurisdiction of formation.

5248 | (4) The articles of domestication and the articles of
 5249 | organization of a domesticated limited liability company must
 5250 | satisfy the requirements of the law of this state, and may be
 5251 | executed by an authorized representative and registered agent in
 5252 | accordance with this chapter.

5253 | 605.1056 Effect of domestication.—

5254 | (1) When a domestication becomes effective:

5255 | (a) The domesticated limited liability company is:

5256 | 1. Organized under and subject to the organic law of this
 5257 | state; and

5258 | 2. The same entity, without interruption, as the
 5259 | domesticating entity;

5260 | (b) All property of the domesticating entity continues to
 5261 | be vested in the domesticated limited liability company without
 5262 | transfer, reversion, or impairment;

5263 | (c) All debts, obligations, and other liabilities of the
 5264 | domesticating entity continue as debts, obligations, and other

5265 liabilities of the domesticated limited liability company;

5266 (d) Except as otherwise provided by law or the plan of
5267 domestication, all the rights, privileges, immunities, powers,
5268 and purposes of the domesticating entity remain in the
5269 domesticated limited liability company;

5270 (e) The name of the domesticated limited liability company
5271 may be substituted for the name of the domesticating entity in
5272 any pending action or proceeding;

5273 (f) The articles of organization of the domesticated
5274 limited liability company are effective;

5275 (g) The provisions of the private organic rules of the
5276 domesticated limited liability company which are to be in a
5277 record, if any, approved as part of the plan of domestication
5278 are effective; and

5279 (h) The interests in the domesticating entity are
5280 converted to the extent and as approved in connection with the
5281 domestication, and the interest holders of the domesticating
5282 entity are entitled only to the rights provided to them under
5283 the plan of domestication.

5284 (2) Except as otherwise provided in the organic law or
5285 organic rules of the domesticating entity, the domestication
5286 does not give rise to any rights that an interest holder or
5287 third party would otherwise have upon a dissolution,
5288 liquidation, or winding up of the domesticating entity.

5289 (3) When a domestication becomes effective, a person who
5290 did not have interest holder liability with respect to the
5291 domesticating entity and becomes subject to interest holder
5292 liability with respect to the domesticated limited liability

5293 company as a result of the domestication has interest holder
5294 liability only to the extent provided by the organic law of the
5295 domesticating entity and only for those debts, obligations, and
5296 other liabilities that arise after the domestication becomes
5297 effective.

5298 (4) When a domestication becomes effective, the interest
5299 holder liability of a person who ceases to hold an interest in a
5300 domestic limited liability company with respect to which the
5301 person had interest holder liability is as follows:

5302 (a) The domestication does not discharge any interest
5303 holder liability under this chapter to the extent the interest
5304 holder liability arose before the domestication became
5305 effective;

5306 (b) A person does not have interest holder liability under
5307 this chapter for any debt, obligation, or other liability that
5308 arises after the domestication becomes effective; and

5309 (c) The organic law of the jurisdiction of formation of
5310 the domesticating entity and any rights of contribution provided
5311 under such law, or the organic rules of the domesticating
5312 entity, continue to apply to the release, collection, or
5313 discharge of any interest holder liability preserved under
5314 paragraph (a) as if the domestication had not occurred.

5315 (5) When a domestication becomes effective, a
5316 domesticating entity that has become the domesticated limited
5317 liability company may be served with process in this state for
5318 the collection and enforcement of its debts, obligations, and
5319 liabilities as provided in s. 605.0117 and chapter 48.

5320 (6) If the domesticating entity is qualified to transact

5321 business in this state, the certificate of authority of the
5322 domesticating entity is canceled when the domestication becomes
5323 effective.

5324 (7) A domestication does not require the domesticating
5325 entity to wind up its affairs and does not constitute or cause
5326 the dissolution of the domesticating entity.

5327 605.1061 Appraisal rights; definitions.—The following
5328 definitions apply to s. 605.1006 and to ss. 605.1061-605.1072:

5329 (1) "Accrued interest" means interest from the effective
5330 date of the appraisal event to which the member objects until
5331 the date of payment, at the rate of interest determined for
5332 judgments in accordance with s. 55.03, determined as of the
5333 effective date of the appraisal event.

5334 (2) "Affiliate" means a person who directly or indirectly,
5335 through one or more intermediaries, controls, is controlled by,
5336 or is under common control with another person or is a senior
5337 executive thereof. For purposes of s. 605.1006(4)(d), a person
5338 is deemed to be an affiliate of its senior executives.

5339 (3) "Appraisal event" means an event described in s.
5340 605.1006(1).

5341 (4) "Beneficial member" means a person who is the
5342 beneficial owner of a membership interest held in a voting trust
5343 or by a nominee on the beneficial owner's behalf.

5344 (5) "Fair value" means the value of the member's
5345 membership interest determined:

5346 (a) Immediately before the effectuation of the appraisal
5347 event to which the member objects;

5348 (b) Using customary and current valuation concepts and

5349 techniques generally employed for similar businesses in the
5350 context of the transaction requiring appraisal, excluding any
5351 appreciation or depreciation in anticipation of the transaction
5352 to which the member objects, unless exclusion would be
5353 inequitable to the limited liability company and its remaining
5354 members; and

5355 (c) Without discounting for lack of marketability or
5356 minority status.

5357 (6) "Limited liability company" means the limited
5358 liability company that issued the membership interest held by a
5359 member demanding appraisal and, for matters covered in ss.
5360 605.1061-605.1072, includes the converted entity in a conversion
5361 or the surviving entity in a merger.

5362 (7) "Member" means a record member or a beneficial member.

5363 (8) "Membership interest" means a member's transferable
5364 interest and all other rights as a member of the limited
5365 liability company that issued the membership interest, including
5366 voting rights, management rights, or other rights under this
5367 chapter or the organic rules of the limited liability company
5368 except, if the appraisal rights of a member under s. 605.1006
5369 pertain to only a certain class or series of a membership
5370 interest, the term "membership interest" means only the
5371 membership interest pertaining to such class or series.

5372 (9) "Record member" means each person who is identified as
5373 a member in the current list of members maintained for purposes
5374 of s. 605.1006 by the limited liability company, or to the
5375 extent the limited liability company has failed to maintain a
5376 current list, each person who is the rightful owner of a

5377 membership interest in the limited liability company. A
5378 transferee of a membership interest who has not been admitted as
5379 a member is not a record member.

5380 (10) "Senior executive" means a manager in a manager-
5381 managed limited liability company; a member in a member-managed
5382 limited liability company; or the chief executive officer, chief
5383 operating officer, chief financial officer, or president or any
5384 other person in charge of a principal business unit or function
5385 of a limited liability company, in charge of a manager in a
5386 manager-managed limited liability company, or in charge of a
5387 member in a member-managed limited liability company.

5388 605.1062 Assertion of rights by nominees and beneficial
5389 owners.-

5390 (1) A record member may assert appraisal rights as to less
5391 than all the membership interests registered in the record
5392 member's name which are owned by a beneficial member only if the
5393 record member objects with respect to all membership interests
5394 of the class or series owned by that beneficial member and
5395 notifies the limited liability company in writing of the name
5396 and address of each beneficial member on whose behalf appraisal
5397 rights are being asserted. The rights of a record member who
5398 asserts appraisal rights for only part of the membership
5399 interests of the class or series held of record in the record
5400 member's name under this subsection shall be determined as if
5401 the membership interests to which the record member objects and
5402 the record member's other membership interests were registered
5403 in the names of different record members.

5404 (2) A beneficial member may assert appraisal rights as to

5405 a membership interest held on behalf of the member only if such
5406 beneficial member:

5407 (a) Submits to the limited liability company the record
5408 member's written consent to the assertion of such rights by the
5409 date provided in s. 605.1063(3) (b); and

5410 (b) Does so with respect to all membership interests of
5411 the class or series that are beneficially owned by the
5412 beneficial member.

5413 605.1063 Notice of appraisal rights.-

5414 (1) If a proposed appraisal event is to be submitted to a
5415 vote at a members' meeting, the meeting notice must state that
5416 the limited liability company has concluded that the members
5417 are, are not, or may be entitled to assert appraisal rights
5418 under this chapter.

5419 (2) If the limited liability company concludes that
5420 appraisal rights are or may be available, a copy of s. 605.1006
5421 and ss. 605.1061-605.1072 must accompany the meeting notice sent
5422 to those record members who are or may be entitled to exercise
5423 appraisal rights.

5424 (3) If the appraisal event is to be approved other than by
5425 a members' meeting:

5426 (a) Written notice that appraisal rights are, are not, or
5427 may be available must be sent to each member from whom a consent
5428 is solicited at the time consent of such member is first
5429 solicited, and if the limited liability company has concluded
5430 that appraisal rights are or may be available, a copy of s.
5431 605.1006 and ss. 605.1061-605.1072 must accompany such written
5432 notice; or

5433 (b) Written notice that appraisal rights are, are not, or
5434 may be available must be delivered, at least 10 days before the
5435 appraisal event becomes effective, to all nonconsenting and
5436 nonvoting members, and, if the limited liability company has
5437 concluded that appraisal rights are or may be available, a copy
5438 of s. 605.1006 and ss. 605.1061-605.1072 must accompany such
5439 written notice.

5440 (4) If a particular appraisal event is proposed and the
5441 limited liability company concludes that appraisal rights are or
5442 may be available, the notice referred to in subsection (1),
5443 paragraph (3) (a), or paragraph (3) (b) must be accompanied by:

5444 (a) Financial statements of the limited liability company
5445 that issued the membership interests that may be or are subject
5446 to appraisal rights, consisting of a balance sheet as of the end
5447 of the fiscal year ending not more than 16 months before the
5448 date of the notice, an income statement for that fiscal year,
5449 and a cash flow statement for that fiscal year; however, if such
5450 financial statements are not reasonably available, the limited
5451 liability company shall provide reasonably equivalent financial
5452 information; and

5453 (b) The latest available interim financial statements,
5454 including year-to-date through the end of the interim period, of
5455 such limited liability company, if any.

5456 (5) The right to receive the information described in
5457 subsection (4) may be waived in writing by a member before or
5458 after the appraisal event.

5459 605.1064 Notice of intent to demand payment.—

5460 (1) If a proposed appraisal event is submitted to a vote

5461 at a members' meeting, a member who is entitled to and who
5462 wishes to assert appraisal rights with respect to a class or
5463 series of membership interests:

5464 (a) Must deliver, before the vote is taken, to any other
5465 member of a member-managed limited liability company, to a
5466 manager of a manager-managed limited liability company, or, if
5467 the limited liability company has appointed officers, to an
5468 officer written notice of such person's intent to demand payment
5469 if the proposed appraisal event is effectuated; and

5470 (b) May not vote, or cause or permit to be voted, any
5471 membership interests of the class or series in favor of the
5472 appraisal event.

5473 (2) If a proposed appraisal event is to be approved by
5474 less than unanimous written consent of the members, a member who
5475 is entitled to and who wishes to assert appraisal rights with
5476 respect to a class or series of membership interests must not
5477 sign a consent in favor of the proposed appraisal event with
5478 respect to that class or series of membership interests.

5479 (3) A person who may otherwise be entitled to appraisal
5480 rights, but does not satisfy the requirements of subsection (1)
5481 or subsection (2), is not entitled to payment under s. 605.1006
5482 and ss. 605.1061-605.1072.

5483 605.1065 Appraisal notice and form.-

5484 (1) If the proposed appraisal event becomes effective, the
5485 limited liability company must send a written appraisal notice
5486 and form required by paragraph (2)(a) to all members who satisfy
5487 the requirements of s. 605.1064(1) or (2).

5488 (2) The appraisal notice must be sent no earlier than the

5489 date the appraisal event became effective and within 10 days
 5490 after such date and must:

5491 (a) Supply a form that specifies the date that the
 5492 appraisal event became effective and that provides for the
 5493 member to state:

5494 1. The member's name and address;

5495 2. The number, classes, and series of membership interests
 5496 as to which the member asserts appraisal rights;

5497 3. That the member did not vote for or execute a written
 5498 consent with respect to the transaction as to any classes or
 5499 series of membership interests as to which the member asserts
 5500 appraisal rights;

5501 4. Whether the member accepts the limited liability
 5502 company's offer as stated in subparagraph (2) (b)5.; and

5503 5. If the offer is not accepted, the member's estimated
 5504 fair value of the membership interests and a demand for payment
 5505 of the member's estimated value plus accrued interest.

5506 (b) State:

5507 1. Where the form described in paragraph (a) must be sent;

5508 2. A date by which the limited liability company must
 5509 receive the form, which date may not be less than 40 days or
 5510 more than 60 days after the date the appraisal notice and form
 5511 described in this section are sent, and that the member is
 5512 considered to have waived the right to demand appraisal with
 5513 respect to the membership interests unless the form is received
 5514 by the limited liability company by such specified date;

5515 3. In the case of membership interests represented by a
 5516 certificate, the location at which certificates for the

5517 certificated membership interests must be deposited, if that
 5518 action is required by the limited liability company and the date
 5519 by which those certificates must be deposited, which may not be
 5520 earlier than the date for receiving the required form under
 5521 subparagraph 2.;

5522 4. The limited liability company's estimate of the fair
 5523 value of the membership interests;

5524 5. An offer to each member who is entitled to appraisal
 5525 rights to pay the limited liability company's estimate of fair
 5526 value provided in subparagraph 4.;

5527 6. That, if requested in writing, the limited liability
 5528 company will provide to the member so requesting, within 10 days
 5529 after the date specified in subparagraph 2., the number of
 5530 members who return the forms by the specified date and the total
 5531 number of membership interests owned by such members;

5532 7. The date by which the notice to withdraw under s.
 5533 605.1066 must be received, which date must be within 20 days
 5534 after the date specified in subparagraph 2.; and

5535 8. If not previously provided, accompanied by a copy of s.
 5536 605.1006 and ss. 605.1061-605.1072.

5537 605.1066 Perfection of rights; right to withdraw.-

5538 (1) A member who receives notice pursuant to s. 605.1065
 5539 and wishes to exercise appraisal rights must sign and return the
 5540 form received pursuant to s. 605.1065 (1) and, in the case of
 5541 certificated membership interests and if the limited liability
 5542 company so requires, deposit the member's certificates in
 5543 accordance with the terms of the notice by the date referred to
 5544 in the notice pursuant to s. 605.1065 (2) (b) 2. Once a member

5545 deposits that member's certificates or, in the case of
5546 uncertificated membership interests, returns the signed form
5547 described in s. 605.1065 (2), the member loses all rights as a
5548 member, unless the member withdraws pursuant to subsection (2).
5549 Upon receiving a demand for payment from a member who holds an
5550 uncertificated membership interest, the limited liability
5551 company shall make an appropriate notation of the demand for
5552 payment in its records and shall restrict the transfer of the
5553 membership interest, or the applicable class or series, from the
5554 date the member delivers the items required by this section.

5555 (2) A member who has complied with subsection (1) may
5556 nevertheless decline to exercise appraisal rights and withdraw
5557 from the appraisal process by so notifying the limited liability
5558 company in writing by the date provided in the appraisal notice
5559 pursuant to s. 605.1065(2)(b)7. A member who fails to notify the
5560 limited liability company in writing of the withdrawal by the
5561 date provided in the appraisal notice may not thereafter
5562 withdraw without the limited liability company's written
5563 consent.

5564 (3) A member who does not sign and return the form and, in
5565 the case of certificated membership interests, deposit that
5566 member's certificates, if so required by the limited liability
5567 company, each by the date set forth in the notice described in
5568 s. 605.1065(2)(a), is not entitled to payment under s. 605.1006
5569 and ss. 605.1061-605.1072.

5570 (4) If the member's right to receive fair value is
5571 terminated other than by the purchase of the membership interest
5572 by the limited liability company, all rights of the member, with

5573 respect to such membership interest, shall be reinstated
 5574 effective as of the date the member delivered the items required
 5575 by subsection (1), including the right to receive any
 5576 intervening payment or other distribution with respect to such
 5577 membership interest, or, if any such rights have expired or any
 5578 such distribution other than a cash payment has been completed,
 5579 in lieu thereof at the election of the limited liability
 5580 company, the fair value thereof in cash as determined by the
 5581 limited liability company as of the time of such expiration or
 5582 completion, but without prejudice otherwise to any action or
 5583 proceeding of the limited liability company that may have been
 5584 taken by the limited liability company on or after the date the
 5585 member delivered the items required by subsection (1).

5586 605.1067 Member's acceptance of limited liability
 5587 company's offer.

5588 (1) If the member states on the form provided in s.
 5589 605.1065(1) that the member accepts the offer of the limited
 5590 liability company to pay the limited liability company's
 5591 estimated fair value for the membership interest, the limited
 5592 liability company shall make the payment to the member within 90
 5593 days after the limited liability company's receipt of the items
 5594 required by s. 605.1066(1).

5595 (2) Upon payment of the agreed value, the member shall
 5596 cease to have an interest in the membership interest.

5597 605.1068 Procedure if member is dissatisfied with offer.-

5598 (1) A member who is dissatisfied with the limited
 5599 liability company's offer as provided pursuant to s.
 5600 605.1065(2)(b)4. must notify the limited liability company on

5601 the form provided pursuant to s. 605.1065(1) of the member's
5602 estimate of the fair value of the membership interest and demand
5603 payment of that estimate plus accrued interest.

5604 (2) A member who fails to notify the limited liability
5605 company in writing of the member's demand to be paid the
5606 member's estimate of the fair value plus interest under
5607 subsection (1) within the timeframe provided in s.
5608 605.1065(2)(b)2. waives the right to demand payment under this
5609 section and is entitled only to the payment offered by the
5610 limited liability company pursuant to s. 605.1065(2)(b)4.

5611 605.1069 Court action.-

5612 (1) If a member makes demand for payment under s. 605.1068
5613 which remains unsettled, the limited liability company shall
5614 commence a proceeding within 60 days after receiving the payment
5615 demand and petition the court to determine the fair value of the
5616 membership interest plus accrued interest from the date of the
5617 appraisal event. If the limited liability company does not
5618 commence the proceeding within the 60-day period, any member who
5619 has made a demand pursuant to s. 605.1068 may commence the
5620 proceeding in the name of the limited liability company.

5621 (2) The proceeding must be commenced in the appropriate
5622 court of the county in which the limited liability company's
5623 principal office in this state is located or, if none, the
5624 county in which its registered agent is located. If by virtue of
5625 the appraisal event becoming effective the entity has become a
5626 foreign entity without a registered agent in this state, the
5627 proceeding must be commenced in the county in this state in
5628 which the principal office or registered agent of the limited

5629 liability company was located immediately before the time the
5630 appraisal event became effective; if it has, and immediately
5631 before the appraisal event became effective had no principal
5632 office in this state, then in the county in which the limited
5633 liability company has, or immediately before the time the
5634 appraisal event became effective had, an office in this state;
5635 or if none in this state, then in the county in which the
5636 limited liability company's registered office is or was last
5637 located.

5638 (3) All members, whether or not residents of this state,
5639 whose demands remain unsettled shall be made parties to the
5640 proceeding as in an action against their membership interests.
5641 The limited liability company shall serve a copy of the initial
5642 pleading in such proceeding upon each member-party who is a
5643 resident of this state in the manner provided by law for the
5644 service of a summons and complaint and upon each nonresident
5645 member-party by registered or certified mail or by publication
5646 as provided by law.

5647 (4) The jurisdiction of the court in which the proceeding
5648 is commenced under subsection (2) is plenary and exclusive. If
5649 it so elects, the court may appoint one or more persons as
5650 appraisers to receive evidence and recommend a decision on the
5651 question of fair value. The appraisers shall have the powers
5652 described in the order appointing them or in an amendment to the
5653 order. The members demanding appraisal rights are entitled to
5654 the same discovery rights as parties in other civil proceedings.
5655 There is no right to a jury trial.

5656 (5) Each member who is made a party to the proceeding is

5657 entitled to judgment for the amount of the fair value of such
5658 member's membership interests, plus interest, as found by the
5659 court.

5660 (6) The limited liability company shall pay each such
5661 member the amount found to be due within 10 days after final
5662 determination of the proceedings. Upon payment of the judgment,
5663 the member ceases to have any interest in the membership
5664 interests.

5665 605.1070 Court costs and attorney fees.—

5666 (1) The court in an appraisal proceeding shall determine
5667 all costs of the proceeding, including the reasonable
5668 compensation and expenses of appraisers appointed by the court.
5669 The court shall assess the costs against the limited liability
5670 company, except that the court may assess costs against all or
5671 some of the members demanding appraisal, in amounts the court
5672 finds equitable, to the extent the court finds the members acted
5673 arbitrarily, vexatiously, or not in good faith with respect to
5674 the rights provided by this chapter.

5675 (2) The court in an appraisal proceeding may also assess
5676 the expenses incurred by the respective parties, in amounts the
5677 court finds equitable:

5678 (a) Against the limited liability company and in favor of
5679 any or all members demanding appraisal, if the court finds the
5680 limited liability company did not substantially comply with the
5681 requirements of ss. 605.1061-605.1072; or

5682 (b) Against either the limited liability company or a
5683 member demanding appraisal, in favor of another party, if the
5684 court finds that the party against whom the expenses are

5685 assessed acted arbitrarily, vexatiously, or not in good faith
 5686 with respect to the rights provided by this chapter.

5687 (3) If the court in an appraisal proceeding finds that the
 5688 expenses incurred by any member were of substantial benefit to
 5689 other members similarly situated and should not be assessed
 5690 against the limited liability company, the court may direct that
 5691 the expenses be paid out of the amounts awarded the members who
 5692 were benefited.

5693 (4) To the extent the limited liability company fails to
 5694 make a required payment pursuant to s. 605.1067 or s. 605.1069,
 5695 the member may sue the limited liability company directly for
 5696 the amount owed and, to the extent successful, is entitled to
 5697 recover from the limited liability company all costs and
 5698 expenses of the suit, including attorney fees.

5699 605.1071 Limitation on limited liability company payment.-

5700 (1) Payment may not be made to a member seeking appraisal
 5701 rights if, at the time of payment, the limited liability company
 5702 is unable to meet the distribution standards of s. 605.0405. In
 5703 such event, the member shall, at the member's option:

5704 (a) Withdraw the notice of intent to assert appraisal
 5705 rights, which is deemed withdrawn with the consent of the
 5706 limited liability company; or

5707 (b) Retain the status as a claimant against the limited
 5708 liability company and, if the limited liability company is
 5709 liquidated, be subordinated to the rights of creditors of the
 5710 limited liability company, but have rights superior to the
 5711 members not asserting appraisal rights and, if the limited
 5712 liability company is not liquidated, retain the right to be paid

5713 for the membership interest, which right the limited liability
5714 company shall be obligated to satisfy when the restrictions of
5715 this section do not apply.

5716 (2) The member shall exercise the option under
5717 subparagraph (1) (a) or subparagraph (1) (b) by written notice
5718 filed with the limited liability company within 30 days after
5719 the limited liability company has given written notice that the
5720 payment for the membership interests cannot be made because of
5721 the restrictions of this section. If the member fails to
5722 exercise the option, the member is deemed to have withdrawn the
5723 notice of intent to assert appraisal rights.

5724 605.1072 Other remedies limited.—

5725 (1) The legality of a proposed or completed appraisal
5726 event may not be contested, and the appraisal event may not be
5727 enjoined, set aside, or rescinded, in a legal or equitable
5728 proceeding by a member after the members have approved the
5729 appraisal event.

5730 (2) Subsection (1) does not apply to an appraisal event
5731 that:

5732 (a) Was not authorized and approved in accordance with the
5733 applicable provisions of this chapter, the organic rules of the
5734 limited liability company, or the resolutions of the members
5735 authorizing the appraisal event;

5736 (b) Was procured as a result of fraud, a material
5737 misrepresentation, or an omission of a material fact that is
5738 necessary to make statements made, in light of the circumstances
5739 in which they were made, not misleading; or

5740 (c) Is an interested transaction, unless it has been

5741 approved in the same manner as is provided in s. 605.04092 or is
 5742 fair to the limited liability company as defined in s.
 5743 605.04092(1)(c).

5744 605.1101 Uniformity of application and construction.—In
 5745 applying and construing this chapter, consideration must be
 5746 given to the need to promote uniformity of the law with respect
 5747 to the uniform act upon which it is based.

5748 605.1102 Relation to Electronic Signatures in Global and
 5749 National Commerce Act.—This chapter modifies, limits, and
 5750 supersedes the Electronic Signatures in Global and National
 5751 Commerce Act, 15 U.S.C. s. 7001 et seq., but does not modify,
 5752 limit, or supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c),
 5753 or authorize electronic delivery of the notices described in s.
 5754 103(b) of that act, 15 U.S.C. s. 7003(b). Notwithstanding the
 5755 foregoing, this chapter does not operate to modify, limit, or
 5756 supersede any provisions of s. 15.16, s. 116.34, or s. 668.50.

5757 605.1103 Tax exemption on income of certain limited
 5758 liability companies.—

5759 (1) A limited liability company classified as a
 5760 partnership for federal income tax purposes, or a single-member
 5761 limited liability company that is disregarded as an entity
 5762 separate from its owner for federal income tax purposes, and
 5763 organized pursuant to this chapter or qualified to do business
 5764 in this state as a foreign limited liability company is not an
 5765 "artificial entity" within the purview of s. 220.02 and is not
 5766 subject to the tax imposed under chapter 220. If a single-member
 5767 limited liability company is disregarded as an entity separate
 5768 from its owner for federal income tax purposes, its activities

5769 are, for purposes of taxation under chapter 220, treated in the
5770 same manner as a sole proprietorship, branch, or division of the
5771 owner.

5772 (2) For purposes of taxation under chapter 220, a limited
5773 liability company formed in this state or a foreign limited
5774 liability company with a certificate of authority to transact
5775 business in this state shall be classified as a partnership or a
5776 limited liability company that has only one member shall be
5777 disregarded as an entity separate from its owner for federal
5778 income tax purposes, unless classified otherwise for federal
5779 income tax purposes, in which case the limited liability company
5780 shall be classified identically to its classification for
5781 federal income tax purposes. For purposes of taxation under
5782 chapter 220, a member or a transferee of a member of a limited
5783 liability company formed in this state or a foreign limited
5784 liability company with a certificate of authority to transact
5785 business in this state shall be treated as a resident or
5786 nonresident partner unless classified otherwise for federal
5787 income tax purposes, in which case the member or transferee of a
5788 member has the same status as the member or transferee of a
5789 member has for federal income tax purposes.

5790 (3) Single-member limited liability companies and other
5791 entities that are disregarded for federal income tax purposes
5792 must be treated as separate legal entities for all non-income
5793 tax purposes. The Department of Revenue shall adopt rules to
5794 take into account that single-member disregarded entities such
5795 as limited liability companies and qualified subchapter S
5796 corporations may be disregarded as separate entities for federal

5797 tax purposes and therefore may report and account for income,
 5798 employment, and other taxes under the taxpayer identification
 5799 number of the owner of the single-member entity.

5800 605.1104 Interrogatories by department; other powers of
 5801 department.-

5802 (1) The department may direct to any limited liability
 5803 company or foreign limited liability company subject to this
 5804 chapter, and to a member or manager of any limited liability
 5805 company or foreign limited liability company subject to this
 5806 chapter, interrogatories reasonably necessary and proper to
 5807 enable the department to ascertain whether the limited liability
 5808 company or foreign limited liability company has complied with
 5809 the provisions of this chapter applicable to the limited
 5810 liability company or foreign limited liability company. The
 5811 interrogatories must be answered within 30 days after the date
 5812 of mailing, or within such additional time as fixed by the
 5813 department. The answers to the interrogatories must be full and
 5814 complete and must be made in writing and under oath. If the
 5815 interrogatories are directed to an individual, they must be
 5816 answered by the individual, and if directed to a limited
 5817 liability company or foreign limited liability company, they
 5818 must be answered by a manager of a manager-managed company, a
 5819 member of a member-managed company, or other applicable governor
 5820 if a foreign limited liability company is not member-managed or
 5821 manager managed, or a fiduciary if the company is in the hands
 5822 of a receiver, trustee, or other court-appointed fiduciary.

5823 (2) The department need not file a record in a court of
 5824 competent jurisdiction to which the interrogatories relate until

5825 the interrogatories are answered as provided in this chapter,
5826 and is not required to file a record if the answers disclose
5827 that the record is not in conformity with the requirements of
5828 this chapter or if the department has determined that the
5829 parties to such document have not paid all fees, taxes, and
5830 penalties due and owing this state. The department shall certify
5831 to the Department of Legal Affairs, for such action as the
5832 Department of Legal Affairs may deem appropriate, all
5833 interrogatories and answers that disclose a violation of this
5834 chapter.

5835 (3) The department may, based upon its findings under this
5836 section or as provided in s. 213.053(15), bring an action in
5837 circuit court to collect any penalties, fees, or taxes
5838 determined to be due and owing the state and to compel any
5839 filing, qualification, or registration required by law. In
5840 connection with such proceeding, the department may, without
5841 prior approval by the court, file a lis pendens against any
5842 property owned by the limited liability company and may further
5843 certify any findings to the Department of Legal Affairs for the
5844 initiation of an action permitted pursuant to this chapter which
5845 the Department of Legal Affairs may deem appropriate.

5846 (4) The department has the power and authority reasonably
5847 necessary to administer this chapter efficiently, to perform the
5848 duties herein imposed upon it, and to adopt reasonable rules
5849 necessary to carry out its duties and functions under this
5850 chapter.

5851 605.1105 Reservation of power to amend or repeal.—The
5852 Legislature has the power to amend or repeal all or part of this

5853 chapter at any time, and all domestic and foreign limited
5854 liability companies subject to this chapter shall be governed by
5855 the amendment or repeal.

5856 605.1106 Savings clause.—

5857 (1) Except as provided in subsection (2), the repeal of a
5858 statute by this chapter does not affect:

5859 (a) The operation of the statute or an action taken under
5860 it before its repeal, including, without limiting the generality
5861 of the foregoing, the continuing validity of any provision of
5862 the articles of organization, regulations, or operating
5863 agreements of a limited liability company authorized under the
5864 statute at the time of its adoption;

5865 (b) Any ratification, right, remedy, privilege,
5866 obligation, or liability acquired, accrued, or incurred under
5867 the statute before its repeal;

5868 (c) Any violation of the statute or any penalty,
5869 forfeiture, or punishment incurred because of the violation,
5870 before its repeal; or

5871 (d) Any proceeding, merger, sale of assets,
5872 reorganization, or dissolution commenced under the statute
5873 before its repeal, and the proceeding, merger, sale of assets,
5874 reorganization, or dissolution may be completed in accordance
5875 with the statute as if it had not been repealed.

5876 (2) If a penalty or punishment imposed for violation of a
5877 statute is reduced by this chapter, the penalty or punishment,
5878 if not already imposed, shall be imposed in accordance with this
5879 chapter.

5880 (3) This chapter does not affect an action commenced,

5881 proceeding brought, or right accrued before this chapter takes
5882 effect.

5883 605.1107 Severability clause.—If any provision of this
5884 chapter or its application to any person or circumstance is held
5885 invalid, the invalidity does not affect other provisions or
5886 applications of this chapter which can be given effect without
5887 the invalid provision or application, and to this end the
5888 provisions of this chapter are severable.

5889 605.1108 Application to limited liability company formed
5890 under the Florida Limited Liability Company Act.—

5891 (1) Subject to subsection (4), before January 1, 2015,
5892 this chapter governs only:

5893 (a) A limited liability company formed on or after January
5894 1, 2014; and

5895 (b) A limited liability company formed before January 1,
5896 2014, which elects, in the manner provided in its operating
5897 agreement or by law for amending the operating agreement, to be
5898 subject to this chapter.

5899 (2) On or after January 1, 2015, this chapter governs all
5900 limited liability companies.

5901 (3) For the purpose of applying this chapter to a limited
5902 liability company formed before January 1, 2014, under the
5903 Florida Limited Liability Company Act, ss. 608.401-608.705:

5904 (a) The company's articles of organization are deemed to
5905 be the company's articles of organization under this chapter;
5906 and

5907 (b) For the purpose of applying s. 605.0102(39), the
5908 language in the company's articles of organization designating

5909 | the company's management structure operates as if that language
 5910 | were in the operating agreement.

5911 | (4) Notwithstanding the provisions of subsections (1) and
 5912 | (2), effective January 1, 2014, all documents, instruments, and
 5913 | other records submitted to the department must comply with the
 5914 | filing requirements stipulated by this chapter.

5915 | Section 3. Section 48.062, Florida Statutes, is created to
 5916 | read:

5917 | 48.062 Service on a limited liability company.-

5918 | (1) Process against a limited liability company, domestic
 5919 | or foreign, may be served on the registered agent designated by
 5920 | the limited liability company under chapter 605 or chapter 608.
 5921 | A person attempting to serve process pursuant to this subsection
 5922 | may serve the process on any employee of the registered agent
 5923 | during the first attempt at service even if the registered agent
 5924 | is a natural person and is temporarily absent from his or her
 5925 | office.

5926 | (2) If service cannot be made on a registered agent of the
 5927 | limited liability company because of failure to comply with
 5928 | chapter 605 or chapter 608 or because the limited liability
 5929 | company does not have a registered agent, or if its registered
 5930 | agent cannot with reasonable diligence be served, process
 5931 | against the limited liability company, domestic or foreign, may
 5932 | be served:

5933 | (a) On a member of a member-managed limited liability
 5934 | company;

5935 | (b) On a manager of a manager-managed limited liability
 5936 | company; or

5937 (c) If a member or manager is not available during regular
5938 business hours to accept service on behalf of the limited
5939 liability company, he, she, or it may designate an employee of
5940 the limited liability company to accept such service. After one
5941 attempt to serve a member, manager, or designated employee has
5942 been made, process may be served on the person in charge of the
5943 limited liability company during regular business hours.

5944 (3) If, after reasonable diligence, service of process
5945 cannot be completed under subsection (1) or subsection (2),
5946 service of process may be effected by service upon the Secretary
5947 of State as agent of the limited liability company as provided
5948 for in s. 48.181.

5949 (4) If the address provided for the registered agent,
5950 member or manager is a residence or private mailbox, service on
5951 the limited liability company, domestic or foreign, may be made
5952 by serving the registered agent, member or manager in accordance
5953 with s. 48.031.

5954 (5) This section does not apply to service of process on
5955 insurance companies.

5956 Section 4. Effective July 1, 2014, and contingent upon the
5957 amendment of s. 608.452, Florida Statutes, by the enactment of
5958 CS/SB 1490 or other similar legislation, the fees provided under
5959 s. 605.0213, Florida Statutes, as created under this act, are
5960 amended to reflect the fee changes to s. 608.452, Florida
5961 Statutes, by CS/SB 1490 or other similar legislation.

5962 Section 5. Effective January 1, 2015, the Florida Limited
5963 Liability Company Act, consisting of ss. 608.401-608.705,
5964 Florida Statutes, is repealed.

5965 Section 6. Subsection (3) of section 607.1109, Florida
 5966 Statutes, is amended to read:

5967 607.1109 Articles of merger.—

5968 (3) A domestic corporation is not required to file
 5969 articles of merger pursuant to subsection (1) if the domestic
 5970 corporation is named as a party or constituent organization in
 5971 articles of merger or a certificate of merger filed for the same
 5972 merger in accordance with s. 605.1025, s. 608.4382(1), s.
 5973 617.1108, s. 620.2108(3), or s. 620.8918(1) and (2), and if the
 5974 articles of merger or certificate of merger substantially
 5975 complies with the requirements of this section. In such a case,
 5976 the other articles of merger or certificate of merger may also
 5977 be used for purposes of subsection (2).

5978 Section 7. Effective January 1, 2015, subsection (3) of
 5979 section 607.1109, Florida Statutes, as amended by this act, is
 5980 amended to read:

5981 607.1109 Articles of merger.—

5982 (3) A domestic corporation is not required to file
 5983 articles of merger pursuant to subsection (1) if the domestic
 5984 corporation is named as a party or constituent organization in
 5985 articles of merger or a certificate of merger filed for the same
 5986 merger in accordance with s. 605.1025, ~~s. 608.4382(1)~~, s.
 5987 617.1108, s. 620.2108(3), or s. 620.8918(1) and (2), and if the
 5988 articles of merger or certificate of merger substantially
 5989 complies with the requirements of this section. In such a case,
 5990 the other articles of merger or certificate of merger may also
 5991 be used for purposes of subsection (2).

5992 Section 8. Subsection (3) of section 607.1113, Florida

5993 Statutes, is amended to read:

5994 607.1113 Certificate of conversion.—

5995 (3) A converting domestic corporation is not required to
 5996 file a certificate of conversion pursuant to subsection (1) if
 5997 the converting domestic corporation files articles of conversion
 5998 or a certificate of conversion that substantially complies with
 5999 the requirements of this section pursuant to s. 605.1045, s.
 6000 608.439, s. 620.2104(1)(b), or s. 620.8914(1)(b) and contains
 6001 the signatures required by this chapter. In such a case, the
 6002 other certificate of conversion may also be used for purposes of
 6003 subsection (2).

6004 Section 9. Effective January 1, 2015, subsection (3) of
 6005 section 607.1113, Florida Statutes, as amended by this act, is
 6006 amended to read:

6007 607.1113 Certificate of conversion.—

6008 (3) A converting domestic corporation is not required to
 6009 file a certificate of conversion pursuant to subsection (1) if
 6010 the converting domestic corporation files articles of conversion
 6011 or a certificate of conversion that substantially complies with
 6012 the requirements of this section pursuant to s. 605.1045, ~~s.~~
 6013 ~~608.439~~, s. 620.2104(1)(b), or s. 620.8914(1)(b) and contains
 6014 the signatures required by this chapter. In such a case, the
 6015 other certificate of conversion may also be used for purposes of
 6016 subsection (2).

6017 Section 10. Subsections (1) and (2) of section 607.193,
 6018 Florida Statutes, are amended to read:

6019 607.193 Supplemental corporate fee.—

6020 (1) In addition to any other taxes imposed by law, an

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6021 annual supplemental corporate fee of \$88.75 is imposed on each
6022 business entity that is authorized to transact business in this
6023 state and is required to file an annual report with the
6024 Department of State under s. 605.0212, s. 607.1622, s. 608.4511,
6025 or s. 620.1210.

6026 (2) (a) The business entity shall remit the supplemental
6027 corporate fee to the Department of State at the time it files
6028 the annual report required by s. 605.0212, s. 607.1622, s.
6029 608.4511, or s. 620.1210.

6030 (b) In addition to the fees levied under ss. 607.0122~~,~~
6031 ~~608.452,~~ and 620.1109, s. 605.0213 or s. 608.452, and the
6032 supplemental corporate fee, a late charge of \$400 shall be
6033 imposed if the supplemental corporate fee is remitted after May
6034 1 except in circumstances in which a business entity was
6035 administratively dissolved or its certificate of authority was
6036 revoked due to its failure to file an annual report and the
6037 entity subsequently applied for reinstatement and paid the
6038 applicable reinstatement fee.

6039 Section 11. Effective January 1, 2015, subsections (1) and
6040 (2) of section 607.193, Florida Statutes, as amended by this
6041 act, are amended to read:

6042 607.193 Supplemental corporate fee.—

6043 (1) In addition to any other taxes imposed by law, an
6044 annual supplemental corporate fee of \$88.75 is imposed on each
6045 business entity that is authorized to transact business in this
6046 state and is required to file an annual report with the
6047 Department of State under s. 605.0212, s. 607.1622, ~~s. 608.4511~~,
6048 or s. 620.1210.

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6049 (2) (a) The business entity shall remit the supplemental
6050 corporate fee to the Department of State at the time it files
6051 the annual report required by s. 605.0212, s. 607.1622, ~~s.~~
6052 ~~608.4511~~, or s. 620.1210.

6053 (b) In addition to the fees levied under ss. 605.0213,
6054 607.0122, and 620.1109, ~~s. 605.0213 or s. 608.452~~, and the
6055 supplemental corporate fee, a late charge of \$400 shall be
6056 imposed if the supplemental corporate fee is remitted after May
6057 1 except in circumstances in which a business entity was
6058 administratively dissolved or its certificate of authority was
6059 revoked due to its failure to file an annual report and the
6060 entity subsequently applied for reinstatement and paid the
6061 applicable reinstatement fee.

6062 Section 12. Subsection (2) of section 617.1108, Florida
6063 Statutes, is amended to read:

6064 617.1108 Merger of domestic corporation and other business
6065 entities.—

6066 (2) A domestic corporation not for profit organized under
6067 this chapter is not required to file articles of merger pursuant
6068 to this section if the corporation not for profit is named as a
6069 party 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, s. 608.4382(1), s. 620.2108(3),
6072 or s. 620.8918(1) and (2). In such a case, the other articles of
6073 merger or certificate of merger may also be used for purposes of
6074 subsection (3).

6075 Section 13. Effective January 1, 2015, subsection (2) of
6076 section 617.1108, Florida Statutes, as amended by this act, is

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6077 amended to read:

6078 617.1108 Merger of domestic corporation and other business
6079 entities.—

6080 (2) A domestic corporation not for profit organized under
6081 this chapter is not required to file articles of merger pursuant
6082 to this section if the corporation not for profit is named as a
6083 party 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, ~~s. 608.4382(1)~~, s. 620.2108(3),
6086 or s. 620.8918(1) and (2). In such a case, the other articles of
6087 merger or certificate of merger may also be used for purposes of
6088 subsection (3).

6089 Section 14. Paragraph (c) of subsection (1) of section
6090 620.2104, Florida Statutes, is amended to read:

6091 620.2104 Filings required for conversion; effective date.—

6092 (1) After a plan of conversion is approved:

6093 (c) A converting limited partnership is not required to
6094 file a certificate of conversion pursuant to paragraph (a) if
6095 the converting limited partnership files articles of conversion
6096 or a certificate of conversion that substantially complies with
6097 the requirements of this section pursuant to s. 605.1045, s.
6098 607.1115, s. 608.439, or s. 620.8914(1)(b) and contains the
6099 signatures required by this chapter. In such a case, the other
6100 certificate of conversion may also be used for purposes of s.
6101 620.2105(4).

6102 Section 15. Effective January 1, 2015, paragraph (c) of
6103 subsection (1) of section 620.2104, Florida Statutes, as amended
6104 by this act, is amended to read:

6105 | 620.2104 Filings required for conversion; effective date.—

6106 | (1) After a plan of conversion is approved:

6107 | (c) A converting limited partnership is not required to
 6108 | file a certificate of conversion pursuant to paragraph (a) if
 6109 | the converting limited partnership files articles of conversion
 6110 | or a certificate of conversion that substantially complies with
 6111 | the requirements of this section pursuant to s. 605.1045, s.
 6112 | 607.1115, ~~s. 608.439~~, or s. 620.8914(1)(b) and contains the
 6113 | signatures required by this chapter. In such a case, the other
 6114 | certificate of conversion may also be used for purposes of s.
 6115 | 620.2105(4).

6116 | Section 16. Subsection (3) of section 620.2108, Florida
 6117 | Statutes, is amended to read:

6118 | 620.2108 Filings required for merger; effective date.—

6119 | (3) Each constituent limited partnership shall deliver the
 6120 | certificate of merger for filing in the Department of State
 6121 | unless the constituent limited partnership is named as a party
 6122 | or constituent organization in articles of merger or a
 6123 | certificate of merger filed for the same merger in accordance
 6124 | with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,
 6125 | or s. 620.8918(1) and (2) and such articles of merger or
 6126 | certificate of merger substantially complies with the
 6127 | requirements of this section. In such a case, the other articles
 6128 | of merger or certificate of merger may also be used for purposes
 6129 | of s. 620.2109(3).

6130 | Section 17. Effective January 1, 2015, subsection (3) of
 6131 | section 620.2108, Florida Statutes, as amended by this act, is
 6132 | amended to read:

6133 | 620.2108 Filings required for merger; effective date.—

6134 | (3) Each constituent limited partnership shall deliver the
 6135 | certificate of merger for filing in the Department of State
 6136 | unless the constituent limited partnership is named as a party
 6137 | or constituent organization in articles of merger or a
 6138 | certificate of merger filed for the same merger in accordance
 6139 | with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,
 6140 | or s. 620.8918(1) and (2) and such articles of merger or
 6141 | certificate of merger substantially complies with the
 6142 | requirements of this section. In such a case, the other articles
 6143 | of merger or certificate of merger may also be used for purposes
 6144 | of s. 620.2109(3).

6145 | Section 18. Subsection (1) of section 620.8914, Florida
 6146 | Statutes, is amended to read:

6147 | 620.8914 Filings required for conversion; effective date.—

6148 | (1) After a plan of conversion is approved:

6149 | (a) A converting partnership shall deliver to the
 6150 | Department of State for filing a registration statement in
 6151 | accordance with s. 620.8105, if such statement was not
 6152 | previously filed, and a certificate of conversion, in accordance
 6153 | with s. 620.8105, which must include:

6154 | 1. A statement that the partnership has been converted
 6155 | into another organization.

6156 | 2. The name and form of the organization and the
 6157 | jurisdiction of its governing law.

6158 | 3. The date the conversion is effective under the
 6159 | governing law of the converted organization.

6160 | 4. A statement that the conversion was approved as

6161 required by this act.

6162 5. A statement that the conversion was approved as
6163 required by the governing law of the converted organization.

6164 6. If the converted organization is a foreign organization
6165 not authorized to transact business in this state, the street
6166 and mailing address of an office which the Department of State
6167 may use for the purposes of s. 620.8915(3).

6168 (b) In the case of a converting organization converting
6169 into a partnership to be governed by this act, the converting
6170 organization shall deliver to the Department of State for
6171 filing:

6172 1. A registration statement in accordance with s.
6173 620.8105.

6174 2. A certificate of conversion, in accordance with s.
6175 620.8105, signed by a general partner of the partnership in
6176 accordance with s. 620.8105(6) and by the converting
6177 organization as required by applicable law, which certificate of
6178 conversion must include:

6179 a. A statement that the partnership was converted from
6180 another organization.

6181 b. The name and form of the converting organization and
6182 the jurisdiction of its governing law.

6183 c. A statement that the conversion was approved as
6184 required by this act.

6185 d. A statement that the conversion was approved in a
6186 manner that complied with the converting organization's
6187 governing law.

6188 e. The effective time of the conversion, if other than the

6189 | time of the filing of the certificate of conversion.

6190

6191 | A converting domestic partnership is not required to file a
6192 | certificate of conversion pursuant to paragraph (a) if the
6193 | converting domestic partnership files articles of conversion or
6194 | a certificate of conversion that substantially complies with the
6195 | requirements of this section pursuant to s. 605.1045, s.
6196 | 607.1115, s. 608.439, or s. 620.2104(1)(b) and contains the
6197 | signatures required by this chapter. In such a case, the other
6198 | certificate of conversion may also be used for purposes of s.
6199 | 620.8915(4).

6200 | Section 19. Effective January 1, 2015, subsection (1) of
6201 | section 620.8914, Florida Statutes, as amended by this act, is
6202 | amended to read:

6203 | 620.8914 Filings required for conversion; effective date.—

6204 | (1) After a plan of conversion is approved:

6205 | (a) A converting partnership shall deliver to the
6206 | Department of State for filing a registration statement in
6207 | accordance with s. 620.8105, if such statement was not
6208 | previously filed, and a certificate of conversion, in accordance
6209 | with s. 620.8105, which must include:

6210 | 1. A statement that the partnership has been converted
6211 | into another organization.

6212 | 2. The name and form of the organization and the
6213 | jurisdiction of its governing law.

6214 | 3. The date the conversion is effective under the
6215 | governing law of the converted organization.

6216 | 4. A statement that the conversion was approved as

6217 required by this act.

6218 5. A statement that the conversion was approved as
6219 required by the governing law of the converted organization.

6220 6. If the converted organization is a foreign organization
6221 not authorized to transact business in this state, the street
6222 and mailing address of an office which the Department of State
6223 may use for the purposes of s. 620.8915(3).

6224 (b) In the case of a converting organization converting
6225 into a partnership to be governed by this act, the converting
6226 organization shall deliver to the Department of State for
6227 filing:

6228 1. A registration statement in accordance with s.
6229 620.8105.

6230 2. A certificate of conversion, in accordance with s.
6231 620.8105, signed by a general partner of the partnership in
6232 accordance with s. 620.8105(6) and by the converting
6233 organization as required by applicable law, which certificate of
6234 conversion must include:

6235 a. A statement that the partnership was converted from
6236 another organization.

6237 b. The name and form of the converting organization and
6238 the jurisdiction of its governing law.

6239 c. A statement that the conversion was approved as
6240 required by this act.

6241 d. A statement that the conversion was approved in a
6242 manner that complied with the converting organization's
6243 governing law.

6244 e. The effective time of the conversion, if other than the

6245 | time of the filing of the certificate of conversion.

6246

6247 | A converting domestic partnership is not required to file a
 6248 | certificate of conversion pursuant to paragraph (a) if the
 6249 | converting domestic partnership files articles of conversion or
 6250 | a certificate of conversion that substantially complies with the
 6251 | requirements of this section pursuant to s. 605.1045, s.
 6252 | 607.1115, ~~s. 608.439~~, or s. 620.2104(1)(b) and contains the
 6253 | signatures required by this chapter. In such a case, the other
 6254 | certificate of conversion may also be used for purposes of s.
 6255 | 620.8915(4).

6256 | Section 20. Subsection (3) of section 620.8918, Florida
 6257 | Statutes, is amended to read:

6258 | 620.8918 Filings required for merger; effective date.—

6259 | (3) Each domestic constituent partnership shall deliver
 6260 | the certificate of merger for filing with the Department of
 6261 | State, unless the domestic constituent partnership is named as a
 6262 | party or constituent organization in articles of merger or a
 6263 | certificate of merger filed for the same merger in accordance
 6264 | with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,
 6265 | or s. 620.2108(3). The articles of merger or certificate of
 6266 | merger must substantially comply with the requirements of this
 6267 | section. In such a case, the other articles of merger or
 6268 | certificate of merger may also be used for purposes of s.
 6269 | 620.8919(3). Each domestic constituent partnership in the merger
 6270 | shall also file a registration statement in accordance with s.
 6271 | 620.8105(1) if it does not have a currently effective
 6272 | registration statement filed with the Department of State.

6273 Section 21. Effective January 1, 2015, subsection (3) of
 6274 section 620.8918, Florida Statutes, as amended by this act, is
 6275 amended to read:

6276 620.8918 Filings required for merger; effective date.—

6277 (3) Each domestic constituent partnership shall deliver
 6278 the certificate of merger for filing with the Department of
 6279 State, unless the domestic constituent partnership is named as a
 6280 party or constituent organization in articles of merger or a
 6281 certificate of merger filed for the same merger in accordance
 6282 with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,
 6283 or s. 620.2108(3). The articles of merger or certificate of
 6284 merger must substantially comply with the requirements of this
 6285 section. In such a case, the other articles of merger or
 6286 certificate of merger may also be used for purposes of s.
 6287 620.8919(3). Each domestic constituent partnership in the merger
 6288 shall also file a registration statement in accordance with s.
 6289 620.8105(1) if it does not have a currently effective
 6290 registration statement filed with the Department of State.

6291 Section 22. Section 621.051, Florida Statutes, is amended
 6292 to read:

6293 621.051 Limited liability company organization.—A group of
 6294 professional service corporations, professional limited
 6295 liability companies, or individuals, in any combination, duly
 6296 licensed or otherwise legally authorized to render the same
 6297 professional services may organize and become members of a
 6298 professional limited liability company for pecuniary profit
 6299 under the provisions of chapter 605 or chapter 608 for the sole
 6300 and specific purpose of rendering the same and specific

6301 professional service.

6302 Section 23. Effective January 1, 2015, section 621.051,
6303 Florida Statutes, as amended by this act, is amended to read:

6304 621.051 Limited liability company organization.—A group of
6305 professional service corporations, professional limited
6306 liability companies, or individuals, in any combination, duly
6307 licensed or otherwise legally authorized to render the same
6308 professional services may organize and become members of a
6309 professional limited liability company for pecuniary profit
6310 under the provisions of chapter 605 ~~or chapter 608~~ for the sole
6311 and specific purpose of rendering the same and specific
6312 professional service.

6313 Section 24. Section 621.07, Florida Statutes, is amended
6314 to read:

6315 621.07 Liability of officers, agents, employees,
6316 shareholders, members, and corporation or limited liability
6317 company.—Nothing contained in this act shall be interpreted to
6318 abolish, repeal, modify, restrict, or limit the law now in
6319 effect in this state applicable to the professional relationship
6320 and liabilities between the person furnishing the professional
6321 services and the person receiving such professional service and
6322 to the standards for professional conduct; provided, however,
6323 that any officer, agent, member, manager, or employee of a
6324 corporation or limited liability company organized under this
6325 act shall be personally liable and accountable only for
6326 negligent or wrongful acts or misconduct committed by that
6327 person, or by any person under that person's direct supervision
6328 and control, while rendering professional service on behalf of

6329 the corporation or limited liability company to the person for
6330 whom such professional services were being rendered; and
6331 provided further that the personal liability of shareholders of
6332 a corporation, or members of a limited liability company,
6333 organized under this act, in their capacity as shareholders or
6334 members of such corporation or limited liability company, shall
6335 be no greater in any aspect than that of a shareholder-employee
6336 of a corporation organized under chapter 607 or a member-
6337 employee of a limited liability company organized under chapter
6338 605 or chapter 608. The corporation or limited liability company
6339 shall be liable up to the full value of its property for any
6340 negligent or wrongful acts or misconduct committed by any of its
6341 officers, agents, members, managers, or employees while they are
6342 engaged on behalf of the corporation or limited liability
6343 company in the rendering of professional services.

6344 Section 25. Effective January 1, 2015, section 621.07,
6345 Florida Statutes, as amended by this act, is amended to read:

6346 621.07 Liability of officers, agents, employees,
6347 shareholders, members, and corporation or limited liability
6348 company.—Nothing contained in this act shall be interpreted to
6349 abolish, repeal, modify, restrict, or limit the law now in
6350 effect in this state applicable to the professional relationship
6351 and liabilities between the person furnishing the professional
6352 services and the person receiving such professional service and
6353 to the standards for professional conduct; provided, however,
6354 that any officer, agent, member, manager, or employee of a
6355 corporation or limited liability company organized under this
6356 act shall be personally liable and accountable only for

6357 negligent or wrongful acts or misconduct committed by that
6358 person, or by any person under that person's direct supervision
6359 and control, while rendering professional service on behalf of
6360 the corporation or limited liability company to the person for
6361 whom such professional services were being rendered; and
6362 provided further that the personal liability of shareholders of
6363 a corporation, or members of a limited liability company,
6364 organized under this act, in their capacity as shareholders or
6365 members of such corporation or limited liability company, shall
6366 be no greater in any aspect than that of a shareholder-employee
6367 of a corporation organized under chapter 607 or a member-
6368 employee of a limited liability company organized under chapter
6369 605 ~~or chapter 608~~. The corporation or limited liability company
6370 shall be liable up to the full value of its property for any
6371 negligent or wrongful acts or misconduct committed by any of its
6372 officers, agents, members, managers, or employees while they are
6373 engaged on behalf of the corporation or limited liability
6374 company in the rendering of professional services.

6375 Section 26. Subsections (2) and (4) of section 621.12,
6376 Florida Statutes, are amended to read:

6377 621.12 Identification with individual shareholders or
6378 individual members.—

6379 (2) The name shall also contain:

6380 (a) The word "chartered"; or

6381 (b)1. In the case of a professional corporation, the words
6382 "professional association" or the abbreviation "P.A."; or

6383 2. In the case of a professional limited liability company
6384 formed before January 1, 2014, the words "professional limited

6385 company" or "professional limited liability company," ~~or~~ the
 6386 abbreviation "P.L." or "P.L.L.C." or the designation "PL" or
 6387 "PLLC," in lieu of the words "limited company" or "limited
 6388 liability company," or the abbreviation "L.C." or "L.L.C." or
 6389 the designation "LC" or "LLC" as otherwise required under s.
 6390 605.0112 or s. 608.406.

6391 3. In the case of a professional limited liability company
 6392 formed on or after January 1, 2014, the words "professional
 6393 limited liability company," the abbreviation "P.L.L.C." or the
 6394 designation "PLLC," in lieu of the words "limited liability
 6395 company," or the abbreviation "L.L.C." or the designation "LLC"
 6396 as otherwise required under s.605.0112.

6397 (4) It shall be permissible, however, for the corporation
 6398 or limited liability company to render professional services and
 6399 to exercise its authorized powers under a name which is
 6400 identical to its name or contains any one or more of the last
 6401 names of any shareholder or member included in such name except
 6402 that the word "chartered," the words "professional association,"
 6403 ~~or~~ "professional limited company," or "professional limited
 6404 liability company," ~~or~~ the abbreviations "P.A.," ~~or~~ "P.L.," or
 6405 "P.L.L.C.," or the designation "PL" or "PLLC" may be omitted,
 6406 provided that the corporation or limited liability company has
 6407 first registered the name to be so used in the manner required
 6408 for the registration of fictitious names.

6409 Section 27. Section 621.13, Florida Statutes, is amended
 6410 to read:

6411 621.13 Applicability of chapters 605, 607, and 608.—

6412 (1) Chapter 607 is applicable to a corporation organized

6413 pursuant to this act except to the extent that any of the
6414 provisions of this act are interpreted to be in conflict with
6415 the provisions of chapter 607. In such event, the provisions and
6416 sections of this act shall take precedence with respect to a
6417 corporation organized pursuant to the provisions of this act.

6418 (2) (a) Before January 1, 2014, and during any transition
6419 period thereafter, chapter 608 is applicable to a limited
6420 liability company organized pursuant to this act before January
6421 1, 2014, except to the extent that any of the provisions of this
6422 act are interpreted to be in conflict with the provisions of
6423 chapter 608. In such event, the provisions and sections of this
6424 act shall take precedence with respect to a limited liability
6425 company organized pursuant to the provisions of this act.

6426 (b) On and after January 1, 2014, chapter 605 is
6427 applicable to a limited liability company organized pursuant to
6428 this act on or after January 1, 2014, except to the extent that
6429 any of the provisions of this act are interpreted to be in
6430 conflict with the provisions of chapter 605. In such event, the
6431 provisions and sections of this act shall take precedence with
6432 respect to a limited liability company organized pursuant to the
6433 provisions of this act.

6434 (c) After an election is made to be subject to the
6435 provisions of chapter 605, chapter 605 applies to a limited
6436 liability company organized pursuant to this act before January
6437 1, 2014, except to the extent that any of the provisions of this
6438 act are interpreted to be in conflict with the provisions of
6439 chapter 605. In such event, the provisions and sections of this
6440 act shall take precedence with respect to a limited liability

6441 company organized pursuant to the provisions of this act.

6442 (3) A professional corporation or limited liability
6443 company heretofore or hereafter organized under this act may
6444 change its business purpose from the rendering of professional
6445 service to provide for any other lawful purpose by amending its
6446 certificate of incorporation in the manner required for an
6447 original incorporation under chapter 607 or by amending its
6448 certificate of organization in the manner required for an
6449 original organization under chapter 608, or for a limited
6450 liability company subject to chapter 605 by amending its
6451 certificate of organization in the manner required for an
6452 original organization under chapter 605. However, such an
6453 amendment, when filed with and accepted by the Department of
6454 State, shall remove such corporation or limited liability
6455 company from the provisions of this chapter including, but not
6456 limited to, the right to practice a profession. A change of
6457 business purpose shall not have any effect on the continued
6458 existence of the corporation or limited liability company.

6459 Section 28. Effective January 1, 2015, section 621.13,
6460 Florida Statutes, as amended by this act, is amended to read:

6461 621.13 Applicability of chapters 605 and ~~7~~ 607, ~~and~~ ~~608.~~

6462 (1) Chapter 607 is applicable to a corporation organized
6463 pursuant to this act except to the extent that any of the
6464 provisions of this act are interpreted to be in conflict with
6465 the provisions of chapter 607. In such event, the provisions and
6466 sections of this act shall take precedence with respect to a
6467 corporation organized pursuant to the provisions of this act.

6468 (2) ~~(a)~~ Chapter 605 ~~Before January 1, 2014, and during any~~

6469 ~~transition period thereafter, chapter 608~~ is applicable to a
6470 limited liability company organized pursuant to this act ~~before~~
6471 ~~January 1, 2014,~~ except to the extent that any of the provisions
6472 of this act are interpreted to be in conflict with the
6473 provisions of chapter 605 ~~608~~. In such event, the provisions and
6474 sections of this act shall take precedence with respect to a
6475 limited liability company organized pursuant to the provisions
6476 of this act.

6477 ~~(b) On and after January 1, 2014, chapter 605 is~~
6478 ~~applicable to a limited liability company organized pursuant to~~
6479 ~~this act on or after January 1, 2014, except to the extent that~~
6480 ~~any of the provisions of this act are interpreted to be in~~
6481 ~~conflict with the provisions of chapter 605. In such event, the~~
6482 ~~provisions and sections of this act shall take precedence with~~
6483 ~~respect to a limited liability company organized pursuant to the~~
6484 ~~provisions of this act.~~

6485 ~~(c) After an election is made to be subject to the~~
6486 ~~provisions of chapter 605, chapter 605 applies to a limited~~
6487 ~~liability company organized pursuant to this act before January~~
6488 ~~1, 2014, except to the extent that any of the provisions of this~~
6489 ~~act are interpreted to be in conflict with the provisions of~~
6490 ~~chapter 605. In such event, the provisions and sections of this~~
6491 ~~act shall take precedence with respect to a limited liability~~
6492 ~~company organized pursuant to the provisions of this act.~~

6493 (3) A professional corporation or limited liability
6494 company heretofore or hereafter organized under this act may
6495 change its business purpose from the rendering of professional
6496 service to provide for any other lawful purpose by amending its

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6497 certificate of incorporation in the manner required for an
6498 original incorporation under chapter 607 or ~~by amending its~~
6499 ~~certificate of organization in the manner required for an~~
6500 ~~original organization under chapter 608, or for a limited~~
6501 ~~liability company subject to chapter 605~~ by amending its
6502 certificate of organization in the manner required for an
6503 original organization under chapter 605. However, such an
6504 amendment, when filed with and accepted by the Department of
6505 State, shall remove such corporation or limited liability
6506 company from the provisions of this chapter including, but not
6507 limited to, the right to practice a profession. A change of
6508 business purpose shall not have any effect on the continued
6509 existence of the corporation or limited liability company.

6510 Section 29. Except as otherwise provided in this act, this
6511 act shall take effect January 1, 2014.