

By Senator Simmons

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1 A bill to be entitled
2 An act relating to limited liability companies;
3 designating the Florida Limited Liability Company Act
4 as part I of chapter 608, F.S.; amending s. 608.401,
5 F.S.; conforming a cross-reference; creating s.
6 608.706, F.S.; providing for construction; providing
7 for applicability of and transition from the Florida
8 Limited Liability Company Act to the Florida Revised
9 Limited Liability Company Act, as created by this act;
10 creating part II of chapter 608, F.S.; creating the
11 "Florida Revised Limited Liability Company Act";
12 providing definitions and general provisions relating
13 to operating agreements, powers, property, rules of
14 construction, names, and registered agents of limited
15 liability companies; providing penalties for
16 noncompliance with certain provisions related to
17 registered agents; providing for service of process;
18 providing for the formation and filing of documents of
19 a limited liability company with the Department of
20 State; providing penalties for failing to file an
21 annual report; providing for the sharing of
22 distributions before dissolution, profits, and losses;
23 providing limitations on distributions and liability
24 for improper distributions; establishing the authority
25 and liability of members and managers; providing for
26 the relationship of members and management, voting,
27 standards of conduct, records, and the right to obtain
28 information; providing for the payment of costs and
29 attorney fees in an action to obtain information;

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30 providing for transferable interests and the rights of
31 transferees and creditors; providing for the
32 dissociation of a member and its effects; providing
33 for the judicial or administrative dissolution and
34 winding up of a limited liability company; providing
35 for payment of attorney fees and costs in certain
36 cases of judicial dissolution; providing for claims
37 against a dissolved limited liability company and the
38 payment of expenses and attorney fees; providing for a
39 direct action by a member against another member, a
40 manager, or the limited liability company; providing
41 for a derivative action by a member; providing for
42 payment of attorney fees and costs in a derivative
43 action; providing requirements and procedures for a
44 foreign limited liability corporation; providing for
45 charitable and donative actions of a limited liability
46 company; establishing provisions for merger,
47 conversion, domestication, interest exchange, and
48 appraisal rights; providing for court costs and
49 attorney fees in actions concerning a demand for
50 payment by a member; providing miscellaneous
51 provisions concerning application and construction,
52 electronic signatures, tax exemption on income,
53 interrogatories and other powers of the department,
54 reservation of power to amend or appeal, and
55 application to a limited liability company formed
56 under the Florida Limited Liability Company Act before
57 a specified date; providing for the future repeal of
58 part I of chapter 608, F.S., relating to the Florida

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59 Limited Liability Company Act; providing for
60 severability; providing effective dates.

61
62 Be It Enacted by the Legislature of the State of Florida:

63
64 Section 1. Sections 608.401 through 608.705, Florida
65 Statutes, are designated as part I of chapter 608, Florida
66 Statutes, to be entitled the "Florida Limited Liability Company
67 Act."

68 Section 2. Section 608.401, Florida Statutes, is amended to
69 read:

70 608.401 Short title.—Sections 608.401-608.706 ~~608.401-~~
71 ~~608.705~~ may be cited as the "Florida Limited Liability Company
72 Act."

73 Section 3. Section 608.706, Florida Statutes, is created in
74 part I of chapter 608, Florida Statutes, to read:

75 608.706 References to chapter.—Any reference to "this
76 chapter" contained within this part shall be construed as a
77 reference to this part only.

78 Section 4. (1) Except as otherwise provided in subsection
79 (2) or subsection (3), the Florida Limited Liability Company
80 Act, part I of chapter 608, Florida Statutes, shall govern all
81 limited liability companies in existence before January 1, 2014.

82 (2) Before January 1, 2015, the Florida Revised Limited
83 Liability Company Act, part II of chapter 608, Florida Statutes,
84 as created by this act, governs only:

85 (a) A limited liability company formed on or after January
86 1, 2014; or

87 (b) A limited liability company formed before January 1,

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88 2014, that elects, in the manner provided in its operating
89 agreement or by law for amending the operating agreement, to be
90 subject to the Florida Revised Limited Liability Company Act,
91 part II of chapter 608, Florida Statutes.

92 (3) Effective January 1, 2015, except as otherwise provided
93 in s. 608.981, Florida Statutes, the Florida Revised Limited
94 Liability Company Act, part II of chapter 608, Florida Statutes,
95 shall govern all limited liability companies.

96 Section 5. Part II of chapter 608, Florida Statutes,
97 consisting of sections 608.7801 through 608.982, Florida
98 Statutes, is created to read:

99 PART II

100 FLORIDA REVISED LIMITED LIABILITY COMPANY ACT

101 608.7801 Short title.—Sections 608.7801-608.982 may be
102 cited as the "Florida Revised Limited Liability Company Act."

103 608.7802 Definitions.—As used in this chapter, the term:

104 (1) "Acquired entity" means the entity, all of one or more
105 classes or series of interests in which are acquired in an
106 interest exchange.

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

110 (3) "Articles of conversion" means the articles of
111 conversion required by s. 608.949. The term includes the
112 articles of conversion as amended or restated.

113 (4) "Articles of domestication" means the articles of
114 domestication required by s. 608.959. The term includes the
115 articles of domestication as amended or restated.

116 (5) "Articles of interest exchange" means the articles of

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117 interest exchange required by s. 608.939. The term includes the
118 articles of interest exchange as amended or restated.

119 (6) "Articles of merger" means the articles of merger
120 required by s. 608.929. The term includes the articles of merger
121 as amended or restated.

122 (7) "Articles of organization" means the articles of
123 organization required by s. 608.7821. The term includes the
124 articles of organization as amended or restated.

125 (8) "Authorized representative" means a person authorized
126 by a prospective member of a limited liability company to form
127 the company by executing and filing its articles of organization
128 with the department:

129 (a) In the case of an existing limited liability company,
130 the term "authorized representative" means, with respect to the
131 execution and filing of a record with the department or taking
132 any other action required or permitted by this chapter:

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

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

137 3. An agent or officer of the limited liability company who
138 is granted the authority to do so by such a manager or such a
139 member, or pursuant to the operating agreement of the limited
140 liability company.

141 (b) In the case of a foreign limited liability company or
142 another entity, the term "authorized representative" means, with
143 respect to the execution and filing of a record with the
144 department or taking another action required or permitted by
145 this chapter, a person who is authorized to file the record or

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146 take another action on behalf of the foreign limited liability
147 company or other entity.

148 (9) "Business day" means Monday through Friday, excluding a
149 day a national banking association is not open for normal
150 business transactions.

151 (10) "Contribution," except in the phrase "right of
152 contribution," means property or a benefit described in s.
153 608.7841 which is provided by a person to a limited liability
154 company to become a member or is provided in the person's
155 capacity as a member.

156 (11) "Conversion" means a transaction authorized by ss.
157 608.941-608.950.

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

160 (13) "Converting entity" means the domestic entity that
161 approves a plan of conversion pursuant to s. 608.947 or the
162 foreign entity that approves a conversion pursuant to the
163 organic law of its jurisdiction of formation.

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

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

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

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

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

172 (17) "Distribution" means a transfer of money or other
173 property from a limited liability company to a person on account
174 of a transferable interest or in the person's capacity as a

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175 member.

176 (a) The term includes:

177 1. A redemption or other purchase by a limited liability
178 company of a transferable interest.

179 2. A transfer to a member in return for the member's
180 relinquishment of any right to participate as a member in the
181 management or conduct of the company's activities and affairs or
182 a relinquishment of a right to have access to records or other
183 information concerning the company's activities and affairs.

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

188 (18) "Distributional interest" means the rights under an
189 unincorporated entity's organic law and organic rules to receive
190 distributions from the entity.

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

193 (20) "Domesticated limited liability company" means the
194 domesticating entity as it continues in existence after a
195 domestication.

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

199 (22) "Domestication" means a transaction authorized by ss.
200 608.955-608.960.

201 (23) "Entity" means:

202 (a) A business corporation;

203 (b) A nonprofit corporation;

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204 (c) A general partnership, including a limited liability
205 partnership;

206 (d) A limited partnership, including a limited liability
207 limited partnership;

208 (e) A limited liability company;

209 (f) A real estate investment trust; or

210 (g) Another domestic or foreign entity that is organized
211 under an organic law, but does not include:

212 1. An individual;

213 2. A trust with a predominantly donative purpose or a
214 charitable trust;

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

218 4. A decedent's estate; or

219 5. A government or a governmental subdivision, agency, or
220 instrumentality.

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

223 (25) "Foreign," with respect to an entity, means an entity
224 whose jurisdiction of formation is a jurisdiction other than
225 this state.

226 (26) "Foreign limited liability company" means an
227 unincorporated entity that was formed in a jurisdiction other
228 than this state and is denominated by that law as a limited
229 liability company.

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

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- 233 (a) Receive or demand access to information concerning an
234 entity, or its books and records;
- 235 (b) Vote for or consent to the election of the governors of
236 the entity; or
- 237 (c) Receive notice of, vote on, or consent to, an issue
238 involving the internal affairs of the entity.
- 239 (28) "Governor" means:
- 240 (a) A director of a business corporation;
- 241 (b) A director or trustee of a nonprofit corporation;
- 242 (c) A general partner of a general partnership;
- 243 (d) A general partner of a limited partnership;
- 244 (e) A manager of a manager-managed limited liability
245 company;
- 246 (f) A member of a member-managed limited liability company;
- 247 (g) A director or a trustee of a real estate investment
248 trust; or
- 249 (h) Another person under whose authority the powers of an
250 entity are exercised and under whose direction the activities
251 and affairs of the entity are managed pursuant to the organic
252 law and organic rules of the entity.
- 253 (29) "Interest" means:
- 254 (a) A share in a business corporation;
- 255 (b) A membership in a nonprofit corporation;
- 256 (c) A partnership interest in a general partnership;
- 257 (d) A partnership interest in a limited partnership;
- 258 (e) A membership interest in a limited liability company;
- 259 (f) A share or beneficial interest in a real estate
260 investment trust;
- 261 (g) A member's interest in a limited cooperative

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262 association;

263 (h) A beneficial interest in a statutory trust, business
264 trust, or common-law business trust; or

265 (i) A governance interest or distributional interest in
266 another entity.

267 (30) "Interest exchange" means a transaction authorized by
268 ss. 608.935-608.940.

269 (31) "Interestholder" means:

270 (a) A shareholder of a business corporation;

271 (b) A member of a nonprofit corporation;

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

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

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

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

276 (g) A shareholder or beneficial owner of a real estate
277 investment trust;

278 (h) A beneficiary or beneficial owner of a statutory trust,
279 business trust, or common-law business trust; or

280 (i) Another direct holder of an interest.

281 (32) "Interestholder liability" means:

282 (a) Personal responsibility for a liability of an entity
283 which is imposed on a person:

284 1. Solely by reason of the status of the person as an
285 interestholder; or

286 2. By the organic rules of the entity which make one or
287 more specified interestholders or categories of interestholders
288 liable in their capacity as interestholders for all or specified
289 liabilities of the entity.

290 (b) An obligation of an interestholder under the organic

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291 rules of an entity to contribute to the entity.

292 (33) "Jurisdiction," when used to refer to a political
293 entity, means the United States, a state, a foreign country, or
294 a political subdivision of a foreign country.

295 (34) "Jurisdiction of formation" means, with respect to an
296 entity:

297 (a) The jurisdiction under whose organic law the entity is
298 formed, incorporated, created or otherwise came into being;
299 provided, however, for these purposes, if an entity exists under
300 the law of a jurisdiction different from the jurisdiction under
301 which the entity originally was formed, incorporated, created,
302 or otherwise came into being, then the jurisdiction under which
303 the entity then exists shall be treated as the jurisdiction of
304 formation; or

305 (b) In the case of a limited liability partnership or
306 foreign limited liability partnership, the jurisdiction in which
307 the partnership's statement of qualification or equivalent
308 document is filed.

309 (35) "Legal representative" means, with regard to a natural
310 person, the personal representative, executor, guardian,
311 conservator or other person who is empowered by applicable law
312 with the authority to act on behalf of the natural person, and,
313 with regard to a person other than a natural person, a person
314 who is empowered by applicable law with the authority to act on
315 behalf of the person.

316 (36) "Limited liability company" or "company," except in
317 the phrase "foreign limited liability company," means an entity
318 formed or existing under this chapter, or an entity that becomes
319 subject to this chapter pursuant to ss. 608.961-608.972.

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320 (37) "Majority-in-interest" means those members holding
321 more than 50 percent of the then current percentage or other
322 interest in the profits or interests in the limited liability
323 company who have the right to vote; however for purposes of ss.
324 608.961-608.972, "majority-in-interest" means:

325 (a) In the case of a limited liability company with only
326 one class or series of members, the holders of more than 50
327 percent of the then current percentage or other interest in the
328 profits or interests in the company who have the right to
329 approve a merger, interest exchange, or conversion, under the
330 organic law or the organic rules of the company; and

331 (b) In the case of a limited liability company having more
332 than one class or series of members, the holders in each class
333 or series of more than 50 percent of the then current percentage
334 or other interest in the profits or interests in that class or
335 series who have the right to approve a merger, interest
336 exchange, or conversion under the organic law or the organic
337 rules of the company, unless the company's organic rules provide
338 for the approval of the transaction in a different manner.

339 (38) "Manager" means a person who, under the operating
340 agreement of a manager-managed limited liability company, is
341 responsible, alone or in concert with others, for performing the
342 management functions stated in s. 608.7846(3).

343 (39) "Manager-managed limited liability company" means a
344 limited liability company that is manager-managed by virtue of
345 the operation of s. 608.7846(1).

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

347 (a) Has become a member of a limited liability company
348 under s. 608.784 or was a member in a company when the company

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349 become subject to this chapter; and

350 (b) Has not dissociated under s. 608.7862.

351 (41) "Member-managed limited liability company" means a
352 limited liability company that is not a manager-managed limited
353 liability company.

354 (42) "Merger" means a transaction authorized by ss.
355 608.925-608.930.

356 (43) "Merging entity" means an entity that is a party to a
357 merger and exists immediately before the merger becomes
358 effective.

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

362 (45) "Operating agreement" means an agreement, whether
363 referred to as an operating agreement that may be oral, implied,
364 in a record, or in any combination thereof, of the members of a
365 limited liability company, including a sole member, concerning
366 the matters described in s. 608.7805. The term includes the
367 agreement as amended or restated.

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

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

372 (48) "Person" means an individual, business corporation,
373 nonprofit corporation, partnership, limited partnership, limited
374 liability company, limited cooperative association,
375 unincorporated nonprofit association, statutory trust, business
376 trust, common-law business trust, estate, trust, association,
377 joint venture, public corporation, government or governmental

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378 subdivision, agency, or instrumentality, or another legal or
379 commercial entity.

380 (49) "Plan" means a plan of merger, plan of interest
381 exchange, plan of conversion, or plan of domestication, as
382 appropriate in the particular context.

383 (50) "Plan of conversion" means a plan developed under s.
384 608.946 and includes the plan of conversion as amended or
385 restated.

386 (51) "Plan of domestication" means a plan under s. 608.956
387 and includes the plan of domestication as amended or restated.

388 (52) "Plan of interest exchange" means a plan under s.
389 608.936 and includes the plan of interest exchange as amended or
390 restated.

391 (53) "Plan of merger" means a plan under s. 608.926 and
392 includes the plan of merger as amended or restated.

393 (54) "Principal office" means the principal executive
394 office of a limited liability company or foreign limited
395 liability company, regardless of whether the office is located
396 in this state.

397 (55) "Private organic rules" means the rules, whether or
398 not in a record, which govern the internal affairs of an entity,
399 are binding on all its interestholders, and are not part of its
400 public organic record, if a record exists. The term includes:

401 (a) The bylaws of a business corporation.

402 (b) The bylaws of a nonprofit corporation.

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

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

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

406 (f) The bylaws, trust instrument, or similar rules of a

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407 real estate investment trust.

408 (g) The trust instrument of a statutory trust or similar
409 rules of a business trust or common-law business trust.

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

412 (57) "Protected agreement" means:

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

415 (b) An agreement that is binding on an entity on January 1,
416 2014;

417 (c) The organic rules of an entity in effect on January 1,
418 2014; or

419 (d) An agreement that is binding on any of the governors or
420 interestholders of an entity on January 1, 2014.

421 (58) "Public organic record" means a record, the filing of
422 which by a governmental body, is required to form an entity and
423 an amendment to or restatement of that record. The term
424 includes:

425 (a) The articles of incorporation of a business
426 corporation;

427 (b) The articles of incorporation of a nonprofit
428 corporation;

429 (c) The certificate of limited partnership of a limited
430 partnership;

431 (d) The articles of organization of a limited liability
432 company;

433 (e) The articles of incorporation of a general cooperative
434 association or a limited cooperative association;

435 (f) The certificate of trust of a statutory trust or

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436 similar record of a business trust; or

437 (g) The articles of incorporation of a real estate
438 investment trust.

439 (59) "Record," when used as a noun, means information that
440 is inscribed on a tangible medium or that is stored in an
441 electronic or other medium and is retrievable in perceivable
442 form.

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

446 (61) "Registered foreign limited liability company" means a
447 foreign limited liability company that has a certificate of
448 authority to transact business in this state pursuant to a
449 record filed with the department.

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

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

453 (b) To attach to or logically associate with the record an
454 electronic symbol, sound, or process and includes a manual,
455 facsimile, conformed, or electronic signature. "Signed" and
456 "signature" have the corresponding meanings.

457 (63) "State" means a state of the United States, the
458 District of Columbia, Puerto Rico, the United States Virgin
459 Islands, or a territory or insular possession subject to the
460 jurisdiction of the United States.

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

463 (65) "Transfer" includes:

464 (a) An assignment.

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465 (b) A conveyance.

466 (c) A sale.

467 (d) A lease.

468 (e) An encumbrance, including a mortgage or security
469 interest.

470 (f) A gift.

471 (g) A transfer by operation of law.

472 (66) "Transferable interest" means the right, as initially
473 owned by a person in the person's capacity as a member, to
474 receive distributions from a limited liability company in
475 accordance with the operating agreement, whether the person
476 remains a member or continues to own a part of the right. The
477 term applies to any fraction of the interest, by whomever owned.

478 (67) "Transferee" means a person to whom all or part of a
479 transferable interest is transferred, whether or not the
480 transferor is a member. The term includes a person who owns a
481 transferable interest under s. 608.7863(1)(c).

482 (68) "Type of entity" means a generic form of entity:

483 (a) Recognized at common law; or

484 (b) Formed under an organic law, whether or not some of the
485 entities formed under that organic law are subject to provisions
486 of that law that create different categories of the form of
487 entity.

488 (69) "Writing" means printing, typewriting, electronic
489 communication, or other intentional communication that is
490 reducible to a tangible form. "Written" has the corresponding
491 meaning.

492 608.7803 Knowledge; notice.—

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

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- 494 (a) Has actual knowledge of the fact; or
495 (b) Is deemed to know the fact under paragraph (4) (a) or
496 paragraph (4) (b), or a law other than this chapter.
- 497 (2) A person has notice of a fact when the person:
498 (a) Has reason to know the fact from all of the facts known
499 to the person at the time in question; or
500 (b) Is deemed to have notice of the fact under paragraph
501 (4) (c).
- 502 (3) Subject to s. 608.78291(8), a person notifies another
503 person of a fact by taking steps reasonably required to inform
504 the other person in the ordinary course of events, regardless of
505 whether those steps cause the other person to know the fact.
- 506 (4) A person who is not a member is deemed:
507 (a) To know of a limitation on authority to transfer real
508 property as provided in s. 608.7832(7).
- 509 (b) To know of the authority or limitation on the authority
510 of a person holding a position or having a specified status in a
511 company, or to know of the authority or limitation on the
512 authority of a specific person, if the authority or limitation
513 on the authority is described in the articles of organization in
514 accordance with s. 608.7821(3) (d). However, if that description
515 is added or changed by an amendment or an amendment and
516 restatement of the articles of organization, then notice of the
517 addition or change does not become effective until 90 days after
518 the effective date of the amendment or amendment and
519 restatement.
- 520 (c) To have notice of a limited liability company's:
521 1. Declaration in its articles of organization that it is
522 manager-managed in accordance with s. 608.7821(3) (a); if such a

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523 declaration is added or changed by an amendment or restatement
524 of the articles of organization, notice of the addition or
525 change does not become effective until 90 days after the
526 effective date of the amendment or restatement.

527 2. Dissolution within 90 days after the articles of
528 dissolution filed under s. 608.7917 become effective.

529 3. Termination within 90 days after a statement of
530 termination filed under s. 608.7919(7) becomes effective.

531 4. Participation in a merger, interest exchange,
532 conversion, or domestication within 90 days after the articles
533 of merger, articles of interest exchange, articles of
534 conversion, or articles of domestication under ss. 608.961-
535 608.972, as applicable, become effective.

536 608.7804 Governing law.—The law of this state governs:

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

538 (2) The liability of a member as member, and a manager as
539 manager, for the debts, obligations, or other liabilities of a
540 limited liability company.

541 608.7805 Operating agreement; scope, function, and
542 limitations.—

543 (1) Except as otherwise provided in subsections (3) and
544 (4), the operating agreement governs:

545 (a) Relations among the members as members and between the
546 members and the limited liability company.

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

549 (c) The activities and affairs of the company and the
550 conduct of those activities and affairs.

551 (d) The means and conditions for amending the operating

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552 agreement.

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

556 (3) An operating agreement may not:

557 (a) Vary a limited liability company's capacity under s.
558 608.7809 to sue and be sued in its own name.

559 (b) Vary the law applicable under s. 608.7804.

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

562 1. Registered agents; or

563 2. The department, including provisions pertaining to
564 records authorized or required to be delivered to the department
565 for filing under this chapter.

566 (d) Vary the provisions of s. 608.7804.

567 (e) Eliminate the duty of loyalty or the duty of care under
568 s. 608.7851, except as otherwise provided in subsection (4).

569 (f) Eliminate the obligation of good faith and fair dealing
570 under s. 608.7851, but the operating agreement may prescribe the
571 standards by which the performance of the obligation is to be
572 measured, if the standards are not manifestly unreasonable.

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

576 (h) Unreasonably restrict the duties and rights stated in
577 s. 608.7853, but the operating agreement may impose reasonable
578 restrictions on the availability and use of information obtained
579 under that section and may define appropriate remedies,
580 including liquidating damages, for a breach of a reasonable

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581 restriction on use.

582 (i) Vary the power of a person to dissociate under s.
583 608.7861 except to require that the notice under s. 608.7862(1)
584 be in a record.

585 (j) Vary the grounds for dissolution specified in s.
586 608.7912(2).

587 (k) Vary the requirement to wind up the company's business,
588 activities, and affairs as specified in s. 608.7919(1), (2)(a),
589 and (5).

590 (l) Unreasonably restrict the right of a member to maintain
591 an action under ss. 608.7931-608.7936.

592 (m) Vary the provisions of s. 608.7934, but the operating
593 agreement may provide that the company may not appoint a special
594 litigation committee. However, the operating agreement may not
595 prevent a court from appointing a special litigation committee.

596 (n) Vary the required contents of plan of merger under s.
597 608.926, a plan of interest exchange under s. 608.936, a plan of
598 conversion under s. 608.946, or a plan of domestication under s.
599 608.956.

600 (o) Except as otherwise provided in ss. 608.7806 and
601 608.7807(2), restrict the rights under this chapter of a person
602 other than a member or manager.

603 (p) Provide for indemnification for a member or manager
604 under s. 608.7850 for the following:

605 1. Conduct involving bad faith, willful or intentional
606 misconduct, or a knowing violation of law;

607 2. A transaction from which the member or manager derived
608 an improper personal benefit;

609 3. A circumstance under which the liability provisions of

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610 s. 608.7845 are applicable; or

611 4. A breach of duties or obligations under s. 608.7851,
612 taking into account a variation of such duties and obligations
613 provided for in the operating agreement to the extent allowed by
614 subsection (4).

615 (4) Subject to subsection (3)(g), without limiting other
616 terms that may be included in an operating agreement, the
617 following rules apply:

618 (a) The operating agreement may:

619 1. Specify the method by which a specific act or
620 transaction that would otherwise violate the duty of loyalty may
621 be authorized or ratified by one or more disinterested and
622 independent persons after full disclosure of all material facts.

623 2. Alter the prohibition stated in s. 608.7844(1)(b) so
624 that the prohibition requires solely that the company's total
625 assets not be less than the sum of its total liabilities.

626 (b) To the extent the operating agreement of a member-
627 managed limited liability expressly relieves a member of
628 responsibility that the member would otherwise have under this
629 chapter and imposes the responsibility on one or more other
630 members, the operating agreement may, to the benefit of the
631 member that the operating agreement relieves of the
632 responsibility, also eliminate or limit a duty or obligation
633 that would have pertained to the responsibility.

634 (c) If not manifestly unreasonable, the operating agreement
635 may:

636 1. Alter or eliminate the aspects of the duty of loyalty
637 under s. 608.7851(2).

638 2. Identify specific types or categories of activities that

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639 do not violate the duty of loyalty.

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

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

645 (a) Shall make its determination as of the time the
646 challenged term became part of the operating agreement and shall
647 consider only circumstances existing at that time.

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

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

652 2. The term is an unreasonable means to achieve the
653 provision's objective.

654 (6) An operating agreement may provide for specific
655 penalties or specified consequences, including those described
656 in s. 608.7842(5), in the event a member or transferee fails to
657 comply with the terms and conditions of the operating agreement,
658 or when other events specified in the operating agreement occur.

659 608.7806 Operating agreement; effect on limited liability
660 company and person becoming member; preformation agreement;
661 other matters involving operating agreement.-

662 (1) A limited liability company is bound by and may enforce
663 the operating agreement, regardless of whether the company has
664 itself agreed to the operating agreement.

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

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668 the operating agreement.

669 (3) Two or more persons intending to become the initial
670 members of a limited liability company may make an agreement
671 providing that, upon the formation of the company, the agreement
672 will become the operating agreement. One person intending to
673 become the initial member of a limited liability company may
674 agree to terms that will become the operating agreement upon
675 formation of the company.

676 (4) A manager of a limited liability company or a
677 transferee is bound by the operating agreement regardless of
678 whether the manager or transferee has agreed to the operating
679 agreement.

680 (5) An operating agreement of a limited liability company
681 that has only one member is not unenforceable simply because
682 there is only one person who is a party to the operating
683 agreement.

684 (6) Except as provided in s. 608.7805(1), an operating
685 agreement is not subject to a statute of frauds.

686 (7) An operating agreement may provide rights to a person,
687 including a person who is not a party to the operating
688 agreement, to the extent provided in the operating agreement.

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

690 (a) May provide that a person be admitted as a member of a
691 limited liability company or become a transferee of a limited
692 liability company interest or other rights or powers of a member
693 to the extent assigned:

694 1. If the person or a representative authorized by that
695 person orally, in writing, or by other action such as payment
696 for a limited liability company interest, executes the operating

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697 agreement or another record evidencing the intent of the person
698 to become a member or transferee; or

699 2. Without the execution of the operating agreement, if the
700 person or a representative authorized by the person orally, in
701 writing, or by other action such as payment for a limited
702 liability company interest complies with the conditions for
703 becoming a member or transferee as provided in the operating
704 agreement or another record.

705 (b) Shall not be unenforceable by reason of its not being
706 signed by a person being admitted as a member or becoming a
707 transferee as provided in subparagraph (a), or by reason of its
708 being signed by a representative as provided in this chapter.

709 608.7807 Operating agreement; effect on third parties and
710 relationship to records effective on behalf of limited liability
711 company.—

712 (1) An operating agreement may specify that its amendment
713 requires the approval of a person who is not a party to the
714 agreement or upon the satisfaction of a condition. An amendment
715 is ineffective if its adoption does not include the required
716 approval or satisfy the specified condition.

717 (2) The obligations of a limited liability company and its
718 members to a person in the person's capacity as a transferee or
719 a person dissociated as a member are governed by the operating
720 agreement. An amendment to the operating agreement made after a
721 person becomes a transferee or is dissociated as a member:

722 (a) Is effective with regard to a debt, obligation, or
723 other liability of the limited liability company or its members
724 to the person in the person's capacity as a transferee or person
725 dissociated as a member.

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

729 (3) If a record delivered to the department for filing
730 becomes effective under this chapter and contains a provision
731 that would be ineffective under s. 608.7805(3) or (4)(c), if
732 contained in the operating agreement, the provision is
733 ineffective in the record.

734 (4) Subject to subsection (3), if a record delivered to the
735 department for filing that has become effective under this
736 chapter but conflicts with a provision of the operating
737 agreement:

738 (a) The operating agreement prevails as to members,
739 dissociated members, transferees, and managers.

740 (b) The record prevails as to other persons to the extent
741 they reasonably rely on the record.

742 608.7808 Nature, purpose, and duration of limited liability
743 company.—

744 (1) A limited liability company is an entity distinct from
745 its members.

746 (2) A limited liability company may have any lawful
747 purpose, regardless of whether the company is for profit.

748 (3) A limited liability company has indefinite duration.

749 608.7809 Powers.—A limited liability company has the
750 powers, rights, and privileges granted by this chapter, another
751 law, or by its operating agreement to do all things necessary or
752 convenient to carry out its activities and affairs, including
753 the power to:

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

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755 (2) Purchase, receive, lease, or otherwise acquire, own,
756 hold, improve, use, and otherwise deal with real or personal
757 property, or any legal or equitable interest in property,
758 wherever located.

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

762 (4) Purchase, receive, subscribe for, or otherwise acquire,
763 own, hold, vote, use, sell, mortgage, lend, grant a security
764 interest in, or otherwise dispose of and deal in and with,
765 shares or other interests in or obligations of another entity.

766 (5) Make contracts or guarantees, or incur liabilities;
767 borrow money; issue notes, bonds, or other obligations, which
768 may be convertible into or include the option to purchase other
769 securities of the limited liability company; or make contracts
770 of guaranty and suretyship that are necessary or convenient to
771 the conduct, promotion, or attainment of the purposes activities
772 and affairs of the limited liability company.

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

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

777 (8) Select managers and appoint officers, directors,
778 employees, and agents of the limited liability company, define
779 their duties, fix their compensation, and lend them money and
780 credit.

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

783 (10) Pay pensions and establish pension plans, pension

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784 trusts, profit-sharing plans, bonus plans, option plans, and
785 benefit or incentive plans for any or all of its current or
786 former managers, members, officers, agents, and employees.

787 (11) Be a promoter, incorporator, shareholder, partner,
788 member, associate, or manager of a corporation, partnership,
789 joint venture, trust, or other entity.

790 (12) Make payments or donations or do another act not
791 inconsistent with law that furthers the business of the limited
792 liability company.

793 (13) Enter into interest rate, basis, currency, hedge or
794 other swap agreements or cap, floor, put, call, option, exchange
795 or collar agreements, derivative agreements, or similar
796 agreement.

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

799 608.7810 Limited liability company property.—

800 (1) All property originally contributed to the limited
801 liability company or subsequently acquired by a limited
802 liability company by purchase or other method is limited
803 liability company property.

804 (2) Property acquired with limited liability company funds
805 is limited liability company property.

806 (3) Instruments and documents providing for the
807 acquisition, mortgage, or disposition of property of the limited
808 liability company are valid and binding upon the limited
809 liability company if they are executed in accordance with this
810 chapter.

811 (4) A member of a limited liability company has no interest
812 in a specific limited liability company property.

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813 608.7811 Rules of construction and supplemental principles
814 of law.—

815 (1) It is the intent of this chapter to give the maximum
816 effect to the principle of freedom of contract and to the
817 enforceability of operating agreements, including the purposes
818 of ss. 608.7805-608.7807.

819 (2) Unless displaced by particular provisions of this
820 chapter, the principles of law and equity supplement this
821 chapter.

822 608.7812 Name.—

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

824 (a) Must contain the words "limited liability company" or
825 the abbreviation "L.L.C." or "LLC".

826 (b) Must be distinguishable in the records of the
827 department from the names of all other entities or filings,
828 except fictitious name registrations pursuant to s. 865.09,
829 organized, registered, or reserved under the laws of this state,
830 which names are on file with the department.

831 (c) May not contain language stating or implying that the
832 limited liability company is organized for a purpose other than
833 a purpose permitted in this chapter and its articles of
834 organization.

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

839 (2) Subject to s. 608.905, this section applies to a
840 foreign limited liability company transacting business in this
841 state which has a certificate of authority to transact business

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842 in this state or which has applied for a certificate of
843 authority.

844 (3) In the case of a limited liability company in existence
845 before July 1, 2007, and registered with the department, the
846 requirement in this section that the name of a limited liability
847 company be distinguishable from the names of other entities and
848 filings shall only apply when the limited liability company
849 files documents on or after July 1, 2007, which would otherwise
850 have affected its name.

851 (4) A limited liability company in existence before January
852 1, 2014, which was registered with the department and is using
853 an abbreviation or designation in its name permitted under
854 previous law, is permitted to continue using the abbreviation or
855 designation in its name until it dissolves or amends its name in
856 the records of the department.

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

861 608.7813 Registered agent.-

862 (1) Each limited liability company and each foreign limited
863 liability company that has a certificate of authority under s.
864 608.902 shall designate and continuously maintain in this state:

865 (a) A registered office, which may be the same as its place
866 of business in this state.

867 (b) A registered agent, who may be either:

868 1. An individual who resides in this state and whose
869 business address is identical to the address of the registered
870 office; or

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871 2. A foreign or domestic entity authorized to transact
872 business in this state, which has a business office address that
873 is identical to the registered office.

874 (2) Each initial registered agent, and each successor
875 registered agent that is appointed, shall file a statement in
876 writing with the department, in the form and manner prescribed
877 by the department, accepting the appointment as registered agent
878 while simultaneously being designated as the registered agent.
879 The statement of acceptance shall provide that the registered
880 agent is familiar with, and accepts, the obligations of that
881 position.

882 (3) The only duties of a registered agent are:

883 (a) To forward to the limited liability company or
884 registered foreign limited liability company, at the address
885 most recently supplied to the agent by the company, a process,
886 notice, or demand pertaining to the company or foreign limited
887 liability company that is served on or received by the agent.

888 (b) If the registered agent resigns, to provide the notice
889 required by s. 608.7815 to the company or foreign limited
890 liability company at the address most recently supplied to the
891 agent by the company or foreign limited liability company.

892 (4) The department shall maintain an accurate record of the
893 registered agents and registered office for the service of
894 process and shall promptly furnish information disclosed thereby
895 promptly upon request and payment of the required fee.

896 (5) A limited liability company and each foreign limited
897 liability company that has a certificate of authority under s.
898 608.902 may not prosecute, maintain, or defend an action in a
899 court until the limited liability company complies with this

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900 section and pays to the department a penalty of \$5 for each day
901 it has failed to comply or \$500, whichever is less, and pays
902 another amount required under this chapter.

903 608.7814 Change of registered agent or registered office.-

904 (1) In order to change its registered agent or registered
905 office address, a limited liability company or a foreign limited
906 liability company may deliver to the department, for filing, a
907 statement of change containing:

908 (a) The name of the limited liability company or foreign
909 limited liability company.

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

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

913 (d) The street address of its current registered office for
914 its registered agent.

915 (e) If the street address of the registered office is to be
916 changed, the new street address of the registered office in this
917 state.

918 (2) If the registered agent is changed, the written
919 acceptance of the successor registered agent described in s.
920 608.7813(2) must also be included in or attached to the
921 statement of change.

922 (3) A statement of change is effective when filed by the
923 department or when permitted by s. 608.7827.

924 (4) The changes described in this section may also be made
925 on the limited liability company's or foreign limited liability
926 company's annual report or on an application for reinstatement
927 filed with the department under s. 608.7925(1) or in an
928 amendment to a foreign limited liability company's certificate

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929 of authority in accordance with s. 608.906.

930 608.7815 Resignation of registered agent.-

931 (1) A registered agent may resign as agent for a limited
932 liability company or foreign limited liability company by
933 delivering for filing to the department a signed statement of
934 resignation containing the name of the limited liability company
935 or foreign limited liability company.

936 (2) After filing the statement with the department, the
937 registered agent shall mail a copy to the limited liability
938 company's or foreign limited liability company's current mailing
939 address.

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

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

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

945 (4) When a statement of resignation takes effect, the
946 registered agent ceases to have responsibility for a matter
947 thereafter tendered to it as agent for the limited liability
948 company or foreign limited liability company. The resignation
949 does not affect contractual rights the company or foreign
950 limited liability company has against the agent or that the
951 agent has against the company or the foreign limited liability
952 company.

953 (5) A registered agent may resign from a limited liability
954 company or foreign limited liability company regardless of
955 whether the company or foreign limited liability company has
956 active status.

957 608.7816 Change of name or address by registered agent.-

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958 (1) If a registered agent changes his or her name or
959 address, the agent may deliver to the department for filing a
960 statement of change that provides:

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

963 (b) The name of the agent as currently shown in the records
964 of the department for the company or foreign limited liability
965 company.

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

967 (d) If the address of the agent has changed, the new
968 address.

969 (e) The registered agent has given the notice required by
970 subsection (2).

971 (2) A registered agent shall promptly furnish notice of the
972 statement of change and the changes made by the statement filed
973 with the department to the represented limited liability company
974 or foreign limited liability company.

975 608.7817 Service of process, notice, or demand.-

976 (1) A limited liability company or registered foreign
977 limited liability company may be served with a process, notice,
978 or demand required or permitted by law by serving its registered
979 agent.

980 (2) If a limited liability company or registered foreign
981 limited liability company ceases to have a registered agent, or
982 if its registered agent cannot with reasonable diligence be
983 served, the process, notice, or demand required or permitted by
984 law may instead be served:

985 (a) On a member of a member-managed limited liability
986 company; or

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987 (b) On a manager of a manager-managed limited liability
988 company.

989 (3) If the process, notice, or demand cannot be served on a
990 limited liability company or registered foreign limited
991 liability company pursuant to subsection (1) or subsection (2),
992 the department shall also be an agent of the company upon whom
993 process, notice, or demand may be served.

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

997 (5) Service is effected under subsection (3) on the date
998 shown as received by the department.

999 (6) The department shall keep a record of each process,
1000 notice, and demand served pursuant to this section and record
1001 the time of, and the action taken regarding, the service.

1002 (7) This section does not affect the right to serve
1003 process, notice, or demand in another manner provided by law.

1004 608.7818 Delivery of record.—

1005 (1) Except as otherwise provided in this chapter,
1006 permissible means of delivery of a record include delivery by
1007 hand, the United States Postal Service, a commercial delivery
1008 service, and electronic transmission.

1009 (2) Delivery to the department is effective only when a
1010 record is received by the department.

1011 608.7819 Waiver of notice.—When, pursuant to this chapter
1012 or the articles of organization or operating agreement of a
1013 limited liability company, notice is required to be given to a
1014 member of a limited liability company or to a manager of a
1015 limited liability company having a manager or managers, a waiver

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1016 in writing signed by the person or persons entitled to the
1017 notice, whether made before or after the time for notice to be
1018 given, is equivalent to the giving of notice.

1019 608.7821 Formation of limited liability company; articles
1020 of organization.-

1021 (1) One or more persons may act as authorized
1022 representatives to form a limited liability company by signing
1023 and delivering to the department, for filing, articles of
1024 organization.

1025 (2) The articles of organization must state:

1026 (a) The name of the limited liability company, which must
1027 comply with s. 608.7812.

1028 (b) The street and mailing addresses of the company's
1029 principal office.

1030 (c) The name, street address in this state, and written
1031 acceptance of the company's initial registered agent.

1032 (3) The articles of organization may contain statements as
1033 to matters other than those required by subsection (2), but may
1034 not vary or otherwise affect the provisions specified in s.
1035 608.7805(3) in a manner inconsistent with that section.

1036 Additional statements may include the following:

1037 (a) A declaration as to whether the limited liability
1038 company is manager-managed for purposes of s. 608.7846 and other
1039 relevant provisions of this chapter.

1040 (b) For a manager-managed limited liability company, the
1041 names and addresses of one or more of the managers of the
1042 company.

1043 (c) For a member-managed limited liability company, the
1044 name and address of one or more of the members of the company.

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1045 (d) A description of the authority or limitation on the
1046 authority of a person holding a position or having a specified
1047 status in a company, or a description of the authority or
1048 limitation on the authority of a specific person.

1049 (e) Other relevant matters.

1050 (4) A limited liability company is formed when the
1051 company's articles of organization become effective under s.
1052 608.7827, and at least one person becomes a member at the time
1053 that the articles of organization become effective. The person
1054 who signs the articles of organization must affirm that the
1055 company has or will have at least one member as of the time the
1056 articles of organization become effective.

1057 608.7822 Amendment or restatement of articles of
1058 organization.—

1059 (1) The articles of organization may be amended or restated
1060 at any time.

1061 (2) To amend the articles of organization, a limited
1062 liability company must deliver to the department for filing an
1063 amendment, designated as such in its heading, which contains:

1064 (a) The present name of the company.

1065 (b) The date of filing of its articles of organization.

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

1067 (d) The delayed effective date, pursuant to s. 608.7827, if
1068 the amendment is not effective on the date the department files
1069 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:

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- 1074 (a) The present name of the company.
- 1075 (b) The date of the filing of its articles of organization.
- 1076 (c) All of the provisions of its articles of organization
1077 in effect, as restated.
- 1078 (d) The delayed effective date, pursuant to s. 608.7827, if
1079 the restatement is not effective on the date the department
1080 files the restatement.
- 1081 (4) A restatement of the articles of organization of a
1082 limited liability company may also contain one or more
1083 amendments of the present articles of organization, in which
1084 case the instrument must be entitled "amended and restated
1085 articles of organization."
- 1086 (5) If a member of a member-managed limited liability
1087 company, or a manager of a manager-managed limited liability
1088 company, knew that information contained in filed articles of
1089 organization was inaccurate when the articles of organization
1090 were filed or became inaccurate due to changed circumstances,
1091 the member or manager shall promptly:
- 1092 (a) Cause the articles of organization to be amended; or
- 1093 (b) If appropriate, deliver to the department for filing a
1094 statement of change under s. 608.7814 or a statement of
1095 correction under s. 608.7829.
- 1096 608.7823 Signing of records to be delivered for filing to
1097 department.-
- 1098 (1) A record delivered to the department for filing
1099 pursuant to this chapter must be signed as follows:
- 1100 (a) Except as otherwise provided in paragraphs (b) and (c),
1101 a record signed on behalf of a limited liability company must be
1102 signed by a person authorized by the company.

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1103 (b) A company's initial articles of organization must be
1104 signed by at least one person acting as an authorized
1105 representative. The articles must also include or have attached
1106 a statement signed by the initial registered agent in the form
1107 described in s. 608.7813(2).

1108 (c) A record delivered on behalf of a dissolved company
1109 that has no member must be signed by the person winding up the
1110 company's activities and affairs under s. 608.7919(3) or a
1111 person appointed under s. 608.7919(4) to wind up the activities
1112 and affairs.

1113 (d) A statement of denial by a person under s. 608.7833
1114 must be signed by that person.

1115 (e) A record changing the registered agent must also
1116 include or be accompanied by a statement signed by the successor
1117 registered agent in the form described in s. 608.7813(2).

1118 (f) Another record delivered on behalf of a person to the
1119 department must be signed by that person.

1120 (2) A record may also be signed by an agent, legal
1121 representative, or attorney-in-fact, as applicable, if such
1122 person is duly appointed and authorized to sign the record and
1123 the record recites that such person possesses that authority.

1124 (3) A person who signs a record as an agent, legal
1125 representative, or attorney-in-fact affirms as a fact that the
1126 person is authorized to sign the record.

1127 608.7824 Signing and filing pursuant to judicial order.—

1128 (1) If a person who is required by this chapter to sign a
1129 record or deliver a record to the department for filing under
1130 this chapter does not do so, another person who is aggrieved may
1131 petition the circuit court to order:

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- 1132 (a) The person to sign the record;
1133 (b) The person to deliver the record to the department for
1134 filing; or
1135 (c) The department to file the record unsigned.
1136 (2) If a petitioner under subsection (1) is not the limited
1137 liability company or foreign limited liability company to which
1138 the record pertains, the petitioner shall make the company a
1139 party to the action. The petitioner may seek the remedies
1140 provided in subsection (1) in the same action in combination or
1141 in the alternative.
1142 (3) A record filed under paragraph (1)(c) is effective
1143 without being signed.
1144 608.7825 Liability for inaccurate information in filed
1145 record.—
1146 (1) If a record delivered to the department for filing
1147 under this chapter and filed by the department contains
1148 inaccurate information, a person who suffers a loss by reliance
1149 on the information may recover damages for the loss from:
1150 (a) A person who signed the record, or caused another to
1151 sign it on the person's behalf, and knew the information was
1152 inaccurate at the time the record was signed.
1153 (b) Subject to subsection (2), a member of a member-managed
1154 limited liability company or the manager of a manager-managed
1155 limited liability company, if:
1156 1. The record was delivered for filing on behalf of the
1157 company.
1158 2. The member or manager had notice of the inaccuracy for a
1159 reasonably sufficient time before the information was relied
1160 upon so that, before the reliance, the member or manager

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1161 reasonably could have:

1162 a. Effected an amendment under s. 608.7822;

1163 b. Filed a petition under s. 608.7824; or

1164 c. Delivered to the department for filing a statement of
1165 change under s. 608.7814 or a statement of correction under s.
1166 608.7829.

1167 (2) To the extent that the operating agreement of a member-
1168 managed limited liability company expressly relieves a member of
1169 responsibility for maintaining the accuracy of information
1170 contained in records delivered on behalf of the company to the
1171 department for filing and imposes that responsibility on one or
1172 more other members, the liability stated in paragraph (1) (b)
1173 applies to those other members and not to the member that the
1174 operating agreement relieves of the responsibility.

1175 (3) An individual who signs a record authorized or required
1176 to be filed under this chapter affirms under penalty of perjury
1177 that the information stated in the record is accurate.

1178 608.7826 Filing requirements.—

1179 (1) A record authorized or required to be delivered to the
1180 department for filing must be captioned to describe the record's
1181 purpose, be in a medium permitted by the department, and be
1182 delivered to the department. Unless the department determines
1183 that a record does not comply with the filing requirements, and
1184 if all filing fees are paid, the department shall file the
1185 record.

1186 (2) Upon request and payment of the applicable fee, the
1187 department shall send to the requester a certified copy of the
1188 requested record.

1189 (3) If the department has prescribed a mandatory medium or

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1190 form for the record being filed, the record must be in the
1191 prescribed medium or on the prescribed form.

1192 (4) Except as otherwise provided by the department, a
1193 document to be filed by the department must be typewritten or
1194 printed, legible, and written in the English language. A limited
1195 liability company name does not need to be in English if written
1196 in English letters or Arabic or Roman numerals, and the
1197 certificate of existence required of a foreign limited liability
1198 company, does not need to be in English if accompanied by a
1199 reasonably authenticated English translation. If the department
1200 has prescribed a mandatory form for the document to be filed,
1201 the document must be in or on the prescribed form. The
1202 department may prescribe forms in electronic format that comply
1203 with this chapter. The department may also use electronic
1204 transmissions for the purposes of notice and communication in
1205 the performance of its duties and may require filers and
1206 registrants to furnish e-mail addresses when presenting a
1207 document for filing.

1208 608.7827 Effective date and time.—Except as otherwise
1209 provided in s. 608.7828, and subject to s. 608.7829(3), a
1210 document delivered to the department for filing may specify an
1211 effective time and a delayed effective date. In the case of
1212 initial articles of organization, a previous effective date may
1213 be specified in the articles of organization, provided such date
1214 is within 5 business days before the date of filing. Subject to
1215 ss. 608.7814, 608.7815, and 608.7829, a record filed by the
1216 department is effective:

1217 (1) If the record does not specify an effective time and
1218 does not specify a previous or a delayed effective date, on the

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1219 date and when 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 previous or delayed effective date, on the date the record is
1223 filed 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 specifies a date before the effective
1229 date but no effective time, at 12:01 a.m. on the later of:

1230 (a) The specified date; or

1231 (b) The 5th business day before the record is filed.

1232 (5) If the record specifies an effective time and a delayed
1233 effective date, at the specified time on the earlier of:

1234 (a) The specified date; or

1235 (b) The 90th day after the record is filed.

1236 (6) If the record specifies an effective time and a
1237 previous effective date, at the specified time on the later of:

1238 (a) The specified date; or

1239 (b) The 5th business day before the record is filed.

1240 608.7828 Withdrawal of filed record before effectiveness.-

1241 (1) Except as otherwise provided in ss. 608.961-608.972, a
1242 record delivered to the department for filing may be withdrawn
1243 before it takes effect by delivering to the department for
1244 filing a withdrawal statement.

1245 (2) A withdrawal statement must:

1246 (a) Be signed by each person who signed the record being
1247 withdrawn, except as otherwise agreed by those persons.

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- 1248 (b) Identify the record to be withdrawn.
- 1249 (c) If not signed by all the persons who signed the record
1250 being withdrawn, state that the record is withdrawn in
1251 accordance with the agreement of all the persons who signed the
1252 record.
- 1253 (3) Upon the filing by the department of a withdrawal
1254 statement, the action or transaction evidenced by the original
1255 record does not take effect.
- 1256 608.7829 Correcting filed record.—
- 1257 (1) A person on whose behalf a filed record was delivered
1258 to the department for filing may correct the record if:
- 1259 (a) The record at the time of filing was inaccurate;
1260 (b) The record was defectively signed; or
1261 (c) The electronic transmission of the record to the
1262 department was defective.
- 1263 (2) To correct a filed record, a person on whose behalf the
1264 record was delivered to the department must deliver to the
1265 department for filing a statement of correction.
- 1266 (3) A statement of correction:
- 1267 (a) May not state a delayed effective date.
1268 (b) Must be signed by the person correcting the filed
1269 record.
- 1270 (c) Must identify the filed record to be corrected.
1271 (d) Must specify the inaccuracy or defect to be corrected.
1272 (e) Must correct the inaccuracy or defect.
- 1273 (4) A statement of correction is effective as of the
1274 effective date of the filed record that it corrects, except for
1275 purposes of s. 608.7803(4) and as to persons relying on the
1276 uncorrected filed record and adversely affected by the

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1277 correction. For those purposes and as to those persons, the
1278 statement of correction is effective when filed.

1279 608.78291 Duty of department to file; review of refusal to
1280 file; transmission of information by department.-

1281 (1) The department is considered to file a document by
1282 stamping or otherwise endorsing the document as filed, together
1283 with the department official title and the date and time of
1284 receipt.

1285 (2) After filing a record, the department shall deliver an
1286 acknowledgment of the filing or certified copy of the document
1287 to the company or foreign limited liability company or its
1288 authorized representative.

1289 (3) If the department refuses to file a record, the
1290 department shall, within 15 days after the record is delivered:

1291 (a) Return the record or notify the person that submitted
1292 the record of the refusal.

1293 (b) Provide a brief explanation in a record of the reason
1294 for the refusal.

1295 (4) If the applicant returns the document with corrections
1296 in accordance with the rules of the department within 60 days
1297 after it was mailed to the applicant by the department and, if
1298 at the time of return, the applicant so requests in writing, the
1299 filing date of the document is the filing date that would have
1300 been applied had the original document not been deficient,
1301 except as to persons who relied on the record before correction
1302 and were adversely affected.

1303 (5) The department's duty to file documents under this
1304 section is ministerial. Filing or refusing to file a document
1305 does not:

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- 1306 (a) Affect the validity or invalidity of the document in
1307 whole or part;
- 1308 (b) Relate to the correctness or incorrectness of
1309 information contained in the document; or
- 1310 (c) Create a presumption that the document is valid or
1311 invalid or that information contained in the document is correct
1312 or incorrect.
- 1313 (6) If not otherwise provided by law and this chapter, the
1314 department shall determine, by rule, the appropriate format for,
1315 number of copies of, manner of execution of, method of
1316 electronic transmission of, and amount of and method of payment
1317 of fees for a document placed under its jurisdiction.
- 1318 (7) If the department refuses to file a record, the person
1319 who submitted the record may petition the circuit court to
1320 compel filing of the record. The record and the explanation of
1321 the department of the refusal to file must be attached to the
1322 petition. The court may decide the matter in a summary
1323 proceeding.
- 1324 (8) Except as otherwise provided by s. 608.7817 or by any
1325 law other than this chapter, the department may deliver a record
1326 to a person by delivering it:
- 1327 (a) In person to the person that submitted it;
1328 (b) To the address of the person's registered agent;
1329 (c) To the principal office of the person; or
1330 (d) To another address the person provides to the
1331 department for delivery.
- 1332 608.78292 Certificate of status.-
- 1333 (1) Upon request of a person, the department shall issue a
1334 certificate of status for a limited liability company if the

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1335 records filed show that the department has accepted and filed
1336 its articles of organization. A certificate of status must
1337 state:

1338 (a) The company's name.

1339 (b) That the company was duly formed under the laws of this
1340 state and the date of formation.

1341 (c) Whether all fees and penalties due to the department
1342 under this chapter have been paid.

1343 (d) Whether the company's most recent annual report
1344 required by s. 608.78293 has been filed by the department.

1345 (e) Whether the department has administratively dissolved
1346 the company or received a record notifying the department that
1347 the company has been dissolved by judicial action pursuant to s.
1348 608.7915.

1349 (f) Whether the department has filed articles of
1350 dissolution for the company.

1351 (g) Whether the department has accepted and filed a
1352 statement of termination.

1353 (2) The department, upon request and payment of the
1354 requisite fee, shall furnish a certificate of status for a
1355 foreign limited liability company if the records filed show that
1356 the department has filed a certificate of authority. A
1357 certificate of status for a foreign limited liability company
1358 must state:

1359 (a) The company's name and a current alternate name adopted
1360 under s. 608.905(1) for use in this state.

1361 (b) That the company is authorized to transact business in
1362 this state.

1363 (c) Whether all fees and penalties due to the department

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1364 under this chapter or other law have been paid.

1365 (d) Whether the company's most recent annual report
1366 required by s. 608.78293 has been filed by the department.

1367 (e) Whether the department has:

1368 1. Revoked the company's certificate of authority; or
1369 2. Filed a notice of withdrawal of certificate of
1370 authority.

1371 (3) Subject to a qualification stated in the articles of
1372 organization, a certificate of status issued by the department
1373 is conclusive evidence that the limited liability company is in
1374 existence or the foreign limited liability company is authorized
1375 to transact business in this state.

1376 608.78293 Annual report for department.-

1377 (1) A limited liability company or a registered foreign
1378 limited liability company shall deliver to the department for
1379 filing an annual report that states:

1380 (a) The name of the limited liability company or, if a
1381 foreign limited liability company, the name under which the
1382 foreign limited liability company is registered to transact
1383 business in this state.

1384 (b) The street address of its principal office and its
1385 mailing address.

1386 (c) The date of its organization, or if a foreign limited
1387 liability company, the jurisdiction of its formation, and the
1388 date on which it became qualified to transact business in this
1389 state.

1390 (d) The company's federal employer identification number
1391 or, if none, whether one was applied for.

1392 (e) The name, title or capacity, and address of at least

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1393 one person who has the authority to manage the company.

1394 (f) Additional information that is necessary or appropriate
1395 to enable the department to carry out this chapter.

1396 (2) Information in the annual report must be current as of
1397 the date the report is delivered to the department for filing.

1398 (3) The first annual report must be delivered to the
1399 department between January 1 and May 1 of the year after the
1400 calendar year in which the limited liability company's articles
1401 of organization became effective or the foreign limited
1402 liability company registered to transact business in this state.
1403 Subsequent annual reports must be delivered to the department
1404 between January 1 and May 1 of each calendar year thereafter. If
1405 one or more forms of annual report are submitted for a calendar
1406 year, the department shall file each of them and make the
1407 information contained in them part of the official record. The
1408 first form of annual report filed in a calendar year will be
1409 considered the annual report for that calendar year, and each
1410 report filed after that one in the same calendar year will be
1411 treated as an amended report for that calendar year.

1412 (4) If an annual report does not contain the information
1413 required in this section, the department shall promptly notify
1414 the reporting limited liability company or registered foreign
1415 limited liability company. If the report is corrected to contain
1416 the information required in subsection (1) and delivered to the
1417 department within 30 days after the effective date of the
1418 notice, it is timely delivered.

1419 (5) If an annual report contains the name or address of a
1420 registered agent that differs from the information shown in the
1421 records of the department immediately before the annual report

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1422 becomes effective, the differing information in the annual
1423 report is considered a statement of change under s. 608.7814.

1424 (6) A limited liability company or foreign limited
1425 liability company that fails to file an annual report that
1426 complies with the requirements of this section may not maintain
1427 or defend an action in a court of this state until the report is
1428 filed and all fees due under this chapter are paid. The company
1429 is subject to dissolution or cancellation of its certificate of
1430 authority to transact business as provided in this chapter.

1431 (7) The department shall prescribe the forms, which may be
1432 in an electronic format, on which to make the annual report
1433 called for in this section and may substitute the uniform
1434 business report, pursuant to s. 606.06, as a means of satisfying
1435 the requirement of this chapter.

1436 (8) As a condition of a merger under s. 608.925, each party
1437 to a merger which exists under the laws of this state, and each
1438 party to the merger which exists under the laws of another
1439 jurisdiction and is authorized to transact business or conduct
1440 its affairs in this state, must be active and current in filing
1441 its annual reports in the records of the department through
1442 December 31st of the calendar year in which the articles of
1443 merger are submitted to the department for filing.

1444 (9) As a condition of a conversion of an entity into a
1445 limited liability company under s. 608.941, the entity, if it
1446 exists under the laws of this state, or if it exists under the
1447 laws of another jurisdiction and is authorized to transact
1448 business or conduct its affairs in this state, must be active
1449 and current in filing its annual reports on the records of the
1450 department through December 31st of the calendar year in which

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1451 the articles of conversion are submitted to the department for
1452 filing.

1453 (10) As a condition of a conversion of a limited liability
1454 company into another entity under s. 608.941, the limited
1455 liability company converting to the other type of entity must be
1456 active and current in filing its annual reports in the records
1457 of the department through December 31st of the calendar year in
1458 which the articles of conversion are submitted to the department
1459 for filing.

1460 608.78294 Fees of the department.—The fees of the
1461 department under this chapter are as follows:

1462 (1) Furnishing a certified copy, \$30.

1463 (2) Filing original articles of organization, \$100.

1464 (3) Filing articles of merger of limited liability
1465 companies or other business entities, \$25 per constituent party
1466 to the merger, unless a specific fee is required for a party
1467 under other applicable law.

1468 (4) Filing an annual report, \$50, plus the annual fee
1469 imposed pursuant to s. 607.193 in the amount of \$88.75.

1470 (5) Filing an application for reinstatement after an
1471 administrative or judicial dissolution or a revocation of
1472 authority to transact business, \$100.

1473 (6) Designating a registered agent or changing a registered
1474 agent or registered office address, \$25.

1475 (7) Filing a registered agent's statement of resignation
1476 from an active limited liability company, \$85.

1477 (8) Filing a registered agent's statement of resignation
1478 from a dissolved or revoked limited liability company, \$25.

1479 (9) Filing a statement of change of name of registered

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- 1480 agent or change of registered office address, \$25.
- 1481 (10) Filing articles of conversion of a limited liability
- 1482 company, \$25.
- 1483 (11) Filing articles of domestication, \$25.
- 1484 (12) Furnishing a certificate of status, \$5.
- 1485 (13) Filing restated articles of organization, amended and
- 1486 restated articles of organization, an amendment to the articles
- 1487 of organization, or an amendment to a restated or an amended and
- 1488 restated articles of organization, \$25.
- 1489 (14) Filing an amendment to certificate of authority, \$25.
- 1490 (15) Filing a notice of withdrawal of certificate of
- 1491 authority, \$25.
- 1492 (16) Filing a statement of dissociation, \$25.
- 1493 (17) Filing a manager's statement of resignation, \$25.
- 1494 (18) Filing articles of dissolution, \$25.
- 1495 (19) Filing a certificate of revocation of dissolution,
- 1496 \$100.
- 1497 (20) Filing a statement of termination, \$25.
- 1498 (21) Filing a withdrawal statement, \$25.
- 1499 (22) Filing a statement of authority, \$25.
- 1500 (23) Filing an amendment to a statement of authority, \$25.
- 1501 (24) Filing a statement of denial, \$25.
- 1502 (25) Filing a cancellation of a statement of authority,
- 1503 \$25.
- 1504 (26) Filing a statement of correction, \$25.
- 1505 (27) Filing a foreign limited liability company's
- 1506 application for a certificate of authority to transact business,
- 1507 \$35.
- 1508 (28) Filing an amended annual report, \$50.

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1509 (29) Filing a withdrawal statement of delivered
1510 record before effectiveness, \$25.

1511 (30) Filing a notice of withdrawal of certificate of
1512 authority, \$25.

1513 (31) Filing another limited liability company or foreign
1514 limited liability company document, \$25.

1515 608.78295 Powers of department.—The department has the
1516 power and authority reasonably necessary to administer this
1517 chapter efficiently, to perform the duties imposed upon it, and
1518 to adopt reasonable rules necessary to carry out its duties and
1519 functions under this chapter.

1520 608.78296 Certificates to be received in evidence and
1521 evidentiary effect of copy of filed document.—All certificates
1522 issued by the department in accordance with this chapter shall
1523 be taken and received in all courts, public offices, and
1524 official bodies as prima facie evidence of the facts stated. A
1525 certificate from the department delivered with a copy of a
1526 document filed by the department is conclusive evidence that the
1527 original document is on file with the department.

1528 608.78297 Statement of dissociation or resignation.—

1529 (1) A member of a limited liability company may file a
1530 statement of dissociation with the department containing:

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

1532 (b) The name and signature of the dissociating member.

1533 (c) The date the member withdrew or will withdraw.

1534 (d) A statement that the company has been notified of the
1535 dissociation in writing.

1536 (2) A manager in a manager-managed limited liability
1537 company may file a statement of resignation with the department

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1538 containing:1539 (a) The name of the limited liability company.1540 (b) The name and signature of the resigning manager.1541 (c) The date the resigning manager resigned or will resign.1542 (d) A statement that the limited liability company has been
1543 notified of the resignation in writing.1544 608.783 Power to bind limited liability company.—A person
1545 may not have the power to bind a limited liability company,
1546 except to the extent the person:1547 (1) Is an agent of the company by virtue of s. 608.7849.1548 (2) Has the authority to do so under the articles of
1549 organization or operating agreement of the company;1550 (3) Has the authority to do so by a statement of authority
1551 filed under s. 608.7832; or1552 (4) Has the status of an agent of the company, or the
1553 authority or power to bind the company, under a law other than
1554 this chapter.1555 608.7832 Statement of authority.—1556 (1) A limited liability company may file a statement of
1557 authority. The statement:1558 (a) Must include the name of the company as it appears on
1559 the records of the department, and the street and mailing
1560 addresses of its principal office.1561 (b) With respect to a specified status or position in a
1562 company, whether as a member, transferee, manager, officer, or
1563 otherwise, may state the authority, or limitations on the
1564 authority, of all persons having such status or holding such
1565 position to:1566 1. Execute an instrument transferring real property held in

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1567 the name of the company; or

1568 2. Enter into other transactions on behalf of, or otherwise
1569 act for or bind, the company.

1570 (c) May state the authority, or limitations on the
1571 authority, of a specific person to:

1572 1. Execute an instrument transferring real property held in
1573 the name of the company; or

1574 2. Enter into other transactions on behalf of, or otherwise
1575 act for or bind, the company.

1576 (2) To amend or cancel a statement of authority filed by
1577 the department, a limited liability company must deliver to the
1578 department for filing an amendment or cancellation stating:

1579 (a) The name of the company as it appears on the records of
1580 the department.

1581 (b) The street and mailing addresses of the limited
1582 liability company's principal office.

1583 (c) The date of the statement being affected became
1584 effective.

1585 (d) The contents of the amendment or a declaration that the
1586 affected statement is canceled.

1587 (3) A statement of authority affects only the power of a
1588 person to bind a limited liability company to persons who are
1589 not members.

1590 (4) Subject to subsection (3) and s. 608.7803(4) and except
1591 as otherwise provided in subsections (6), (7), and (8), a
1592 limitation on the authority of a person or a position contained
1593 in an effective statement of authority is not by itself evidence
1594 of knowledge or notice of the limitation by a person.

1595 (5) Subject to subsection (3), a grant of authority not

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1596 pertaining to transfers of real property and contained in an
1597 effective statement of authority is conclusive in favor of a
1598 person that gives value in reliance on the grant, except to the
1599 extent that when the person gives value:

1600 (a) The person has knowledge to the contrary;

1601 (b) The statement has been canceled or restrictively
1602 amended under subsection (2); or

1603 (c) A limitation on the grant is contained in another
1604 statement of authority that became effective after the statement
1605 containing the grant became effective.

1606 (6) Subject to subsection (3), an effective statement of
1607 authority that grants authority to transfer real property held
1608 in the name of the limited liability company, a certified copy
1609 of which statement is recorded in the office for recording
1610 transfers of the real property, is conclusive in favor of a
1611 person that gives value in reliance on the grant without
1612 knowledge to the contrary, except to the extent that when the
1613 person gives value:

1614 (a) The statement has been canceled or restrictively
1615 amended under subsection (2), and a certified copy of the
1616 cancellation or restrictive amendment has been recorded in the
1617 office for recording transfers of the real property; or

1618 (b) A limitation on the grant is contained in another
1619 statement of authority that became effective after the statement
1620 containing the grant became effective, and a certified copy of
1621 the later effective statement is recorded in the office for
1622 recording transfers of the real property.

1623 (7) Subject to subsection (3), if a certified copy of an
1624 effective statement containing a limitation on the authority to

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1625 transfer real property held in the name of a limited liability
1626 company is recorded in the office for recording transfers of
1627 that real property, all persons are deemed to know of the
1628 limitation.

1629 (8) Subject to subsection (9), effective articles of
1630 dissolution or termination are a cancellation of a filed
1631 statement of authority for the purposes of subsection (6) and
1632 are a limitation on authority for the purposes of subsection
1633 (7).

1634 (9) After a company's articles of dissolution become
1635 effective, a limited liability company may deliver to the
1636 department for filing and, if appropriate, may record a
1637 statement of authority in accordance with subsection (1) that is
1638 designated as a post-dissolution statement of authority. The
1639 statement operates as provided in subsections (6) and (7).

1640 (10) Unless earlier canceled, an effective statement of
1641 authority is canceled by operation of law 5 years after the date
1642 on which the statement, or its most recent amendment, becomes
1643 effective. This cancellation operates without need for a
1644 recording under subsection (6) or subsection (7). An effective
1645 statement of denial operates as a restrictive amendment under
1646 this section and may be recorded by certified copy for the
1647 purposes of paragraph (6) (a).

1648 (11) A statement of dissociation or a statement of
1649 resignation filed pursuant to s. 608.78297 terminates the
1650 authority of the person who filed the statement.

1651 608.7833 Statement of denial.—A person named in a filed
1652 statement of authority granting that person authority may
1653 deliver to the department for filing a statement of denial

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1654 signed by that person that:

1655 (1) Provides the name of the limited liability company and
1656 the caption of the statement of authority to which the statement
1657 of denial pertains.

1658 (2) Denies the grant of authority.

1659 608.7834 Liability of members and managers.—

1660 (1) A debt, obligation, or other liability of a limited
1661 liability company is solely the debt, obligation, or other
1662 liability of the company. A member or manager is not personally
1663 liable, directly or indirectly, by way of contribution or
1664 otherwise, for a debt, obligation, or other liability of the
1665 company solely by reason of being or acting as a member or
1666 manager. This subsection applies regardless of the dissolution
1667 of the company.

1668 (2) The failure of a limited liability company to observe
1669 formalities relating to the exercise of its powers or management
1670 of its activities and affairs is not a ground for imposing
1671 liability on a member or manager of the company for a debt,
1672 obligation, or other liability of the company.

1673 608.784 Becoming a member.—

1674 (1) If a limited liability company is to have only one
1675 member upon formation, the person becomes a member as agreed by
1676 that person and the authorized representative of the company.
1677 That person and the authorized representative may be, but need
1678 not be, different persons. If different persons, the authorized
1679 representative acts on behalf of the initial member.

1680 (2) If a limited liability company is to have more than one
1681 member upon formation, those persons become members as agreed by
1682 the persons before the formation of the company. The authorized

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1683 representative acts on behalf of the persons in forming the
1684 company and may be, but need not be, one of the persons.

1685 (3) After formation of a limited liability company, a
1686 person becomes a member:

1687 (a) As provided in the operating agreement;

1688 (b) As the result of a merger, interest exchange
1689 conversion, or domestication under ss. 608.961-608.972, as
1690 applicable;

1691 (c) With the consent of all the members; or

1692 (d) As provided in s. 608.7911(3).

1693 (4) A person may become a member without acquiring a
1694 transferable interest and without making or being obligated to
1695 make a contribution to the limited liability company.

1696 608.7841 Form of contribution.—A contribution may consist
1697 of tangible or intangible property or other benefit to a limited
1698 liability company, including money, services performed,
1699 promissory notes, other agreements to contribute money or
1700 property, and contracts for services to be performed.

1701 608.7842 Liability for contributions.—

1702 (1) A promise by a member to contribute to the limited
1703 liability company is not enforceable unless it is set out in a
1704 writing signed by the member.

1705 (2) A person's obligation to make a contribution to a
1706 limited liability company is not excused by the person's death,
1707 disability, or other inability to perform personally.

1708 (3) If a person does not fulfill an obligation to make a
1709 contribution other than money, the person is obligated at the
1710 option of the limited liability company to contribute money
1711 equal to the value of the part of the contribution that has not

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1712 been made. The foregoing option is in addition to, and not in
1713 lieu of, other rights, including the right to specific
1714 performance, that the limited liability company may have against
1715 such member under the articles of organization or operating
1716 agreement, or applicable law.

1717 (4) The obligation of a person to make a contribution may
1718 be compromised only by consent of all members. A creditor of a
1719 limited liability company which extends credit or otherwise acts
1720 in reliance on an obligation enforceable under subsection (1)
1721 without notice of a compromise may enforce the obligation.

1722 (5) An operating agreement may provide that the limited
1723 liability company interest of a member who fails to make a
1724 contribution that the member is obligated to make is subject to
1725 specified penalties for, or specified consequences of, the
1726 failure. The penalty or consequence may take the form of
1727 reducing or eliminating the defaulting member's proportionate
1728 interest in a limited liability company, subordinating the
1729 member's limited liability company interest to that of
1730 nondefaulting members, a forced sale of that limited liability
1731 company interest, forfeiture of the defaulting member's limited
1732 liability company interest, the lending by other members of the
1733 amount necessary to meet the defaulting member's commitment, a
1734 fixing of the value of the defaulting member's limited liability
1735 company interest by appraisal or by formula and redemption or
1736 sale of the limited liability company interest at such value, or
1737 other penalty or consequence.

1738 608.7843 Sharing of distributions before dissolution and
1739 profits and losses.-

1740 (1) Distributions made by a limited liability company

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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 them to the extent they have been
1745 received by the company, except to the extent necessary to
1746 comply with a transfer effective under s. 608.7856 or charging
1747 order in effect under s. 608.7857.

1748 (2) A person has a right to a distribution before the
1749 dissolution and winding up of a limited liability company only
1750 if the company decides to make an interim distribution. A
1751 person's dissociation does not entitle the person to a
1752 distribution.

1753 (3) A person does not have a right to demand or receive a
1754 distribution from a limited liability company in a form other
1755 than money. Except as otherwise provided in s. 608.7920(4), a
1756 limited liability company may distribute an asset in kind only
1757 if each part of the asset is fungible with each other part and
1758 each person receives a percentage of the asset equal in value to
1759 the person's share of distributions.

1760 (4) If a member or transferee becomes entitled to receive a
1761 distribution, the member or transferee has the status of, and is
1762 entitled to all remedies available to, a creditor of the limited
1763 liability company with respect to the distribution.

1764 (5) Profits and losses of a limited liability company must
1765 be allocated among the members and persons dissociated as
1766 members on the basis of the agreed value, as stated in the
1767 company's records, of the contributions made by each of them to
1768 the extent they have been received by the company.

1769 608.7844 Limitations on distributions.-

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1770 (1) A limited liability company may not make a
1771 distribution, including a distribution under s. 608.7920, if
1772 after the distribution:

1773 (a) The company would not be able to pay its debts as they
1774 become due in the ordinary course of the company's activities
1775 and affairs; or

1776 (b) The company's total assets would be less than the sum
1777 of its total liabilities, plus the amount that would be needed
1778 if the company were to be dissolved and wound up at the time of
1779 the distribution, to satisfy the preferential rights upon
1780 dissolution and winding up of members and transferees whose
1781 preferential rights are superior to those of persons receiving
1782 the distribution.

1783 (2) A limited liability company may base a determination
1784 that a distribution is not prohibited under subsection (1) on:

1785 (a) Financial statements prepared on the basis of
1786 accounting practices and principles that are reasonable under
1787 the circumstances; or

1788 (b) A fair valuation or other method that is reasonable
1789 under the circumstances.

1790 (3) Except as otherwise provided in subsection (5), the
1791 effect of a distribution under subsection (1) is measured:

1792 (a) In the case of a distribution by purchase, redemption,
1793 or other acquisition of a transferable interest in the company,
1794 as of the earlier of:

1795 1. The date money or other property is transferred or the
1796 debt is incurred by the company.

1797 2. The date the person entitled to distribution ceases to
1798 own the interest or right being acquired by the company in

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1799 return for the distribution.

1800 (b) In the case of another distribution of indebtedness, as
1801 of the date the indebtedness is distributed.

1802 (c) In all other cases, as of the date:

1803 1. The distribution is authorized, if the payment occurs
1804 within 120 days after that date; or

1805 2. The payment is made, if the payment occurs more than 120
1806 days after the distribution is authorized.

1807 (4) A limited liability company's indebtedness to a member
1808 or transferee incurred by reason of a distribution made in
1809 accordance with this section is at parity with the company's
1810 indebtedness to its general, unsecured creditors, except to the
1811 extent subordinated by agreement.

1812 (5) A limited liability company's indebtedness, including
1813 indebtedness issued as a distribution, is not a liability for
1814 purposes of subsection (1) if the terms of the indebtedness
1815 provide that payment of principal and interest is made only if
1816 and to the extent that a distribution could then be made under
1817 this section. If the indebtedness is issued as a distribution,
1818 and by its terms provides that the payments of principal and
1819 interest are made only to the extent a distribution could be
1820 made under this section, then each payment of principal or
1821 interest of that indebtedness is treated as a distribution, the
1822 effect of which is measured on the date the payment is actually
1823 made.

1824 (6) In measuring the effect of a distribution under s.
1825 608.7920, the liabilities of a dissolved limited liability
1826 company do not include a claim that is disposed of under ss.
1827 608.7920-608.7923.

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1828 608.7845 Liability for improper distributions.—

1829 (1) Except as otherwise provided in subsection (2), if a
1830 member of a member-managed limited liability company or manager
1831 of a manager-managed limited liability company consents to a
1832 distribution made in violation of s. 608.7844 and in consenting
1833 to the distribution fails to comply with s. 608.7851, the member
1834 or manager is personally liable to the company for the amount of
1835 the distribution which exceeds the amount that could have been
1836 distributed without the violation of s. 608.7844. A member of a
1837 member-managed limited liability company or manager of a
1838 manager-managed limited liability company may base a
1839 determination that a distribution is not prohibited under s.
1840 608.7844 on financial statements prepared on the basis of
1841 accounting practices and principles that are reasonable under
1842 the circumstances or on a fair valuation or other method that is
1843 reasonable under the circumstances.

1844 (2) To the extent the operating agreement of a member-
1845 managed limited liability company expressly relieves a member of
1846 the authority and responsibility to consent to distributions and
1847 imposes that authority and responsibility on one or more other
1848 members, the liability in subsection (1) applies to the other
1849 members and not the member that the operating agreement relieves
1850 of authority and responsibility.

1851 (3) A person who receives a distribution knowing that the
1852 distribution violated s. 608.7844 is personally liable to the
1853 limited liability company but only to the extent that the
1854 distribution received by the person exceeded the amount that
1855 could have been properly paid.

1856 (4) A person against whom an action is commenced because

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1857 that person is or may be liable under subsection (1) may:

1858 (a) Implead another person that is or may be liable under
1859 subsection (1) and seek to enforce a right of contribution from
1860 the person.

1861 (b) Implead a person that received a distribution in
1862 violation of subsection (3) and seek to enforce a right of
1863 contribution from an impleaded person in the amount the person
1864 received in violation of subsection (3).

1865 (5) An action under this section is barred unless commenced
1866 within 2 years after the distribution.

1867 608.7846 Management of limited liability company.-

1868 (1) A limited liability company is a member-managed limited
1869 liability company unless the operating agreement or articles of
1870 organization:

1871 (a) Expressly provide that:

1872 1. The company is or will be manager-managed;

1873 2. The company is or will be managed by managers; or

1874 3. Management of the company is or will be vested in
1875 managers; or

1876 (b) Includes words of similar import, except that, unless
1877 the context in which the expression is used otherwise requires,
1878 the terms "managing member" and "managing members" do not, in
1879 and of themselves, constitute words of similar import for this
1880 purpose.

1881 (2) In a member-managed limited liability company, the
1882 management and conduct of the company are vested in the members,
1883 except as expressly provided in this chapter.

1884 (3) In a manager-managed limited liability company, a
1885 matter relating to the activities and affairs of the company is

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1886 decided exclusively by the manager, or if there is more than one
1887 manager, by the managers, except as expressly provided in this
1888 chapter.

1889 (4) A member is not entitled to remuneration for services
1890 performed for a member-managed limited liability company, except
1891 for reasonable compensation for services rendered in winding up
1892 the activities and affairs of the company, in the absence of an
1893 agreement to the contrary.

1894 (5) A limited liability company shall reimburse a member
1895 for an advance to the company beyond the amount of capital the
1896 member agreed to contribute.

1897 (6) The dissolution of a limited liability company does not
1898 affect the applicability of ss. 608.7846-608.7849. However, a
1899 person who wrongfully causes dissolution of the company loses
1900 the right to participate in management as a member and a
1901 manager.

1902 608.7847 Selection and terms of managers in a manager-
1903 managed limited liability company.-In a manager-managed limited
1904 liability company, the following rules apply:

1905 (1) A manager may be chosen at any time by the consent of
1906 the member or members holding more than 50 percent of the then
1907 current percentage or other interest in the profits of the
1908 limited liability company owned by all of its members.

1909 (2) A person need not be a member to be a manager.

1910 (3) A person chosen as a manager continues as a manager
1911 until a successor is chosen, unless the manager at an earlier
1912 time resigns, is removed, or dies or, in the case of a manager
1913 that is not an individual, terminates.

1914 (4) A manager may be removed at any time without notice or

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1915 cause by the consent of the member or members holding more than
1916 50 percent of the then current percentage or other interest in
1917 the profits of the limited liability company owned by all of its
1918 members.

1919 (5) The dissociation of a member that is also a manager
1920 removes the person as a manager.

1921 (6) If a person who is both a manager and a member ceases
1922 to be a manager, that cessation does not, by itself, dissociate
1923 the person as a member.

1924 (7) A person's ceasing to be a manager does not discharge a
1925 debt, obligation, or other liability to the limited liability
1926 company or members which the person incurred while a manager.

1927 608.7848 Voting rights of members and managers.-

1928 (1) In a member-managed limited liability company, the
1929 following rules apply:

1930 (a) Each member has the right to vote with respect to the
1931 management and conduct of the company's activities and affairs.

1932 (b) Each member's vote is proportionate to that member's
1933 then current percentage or other interest in the profits of the
1934 limited liability company owned by all members.

1935 (c) Except as otherwise provided in this chapter, the
1936 affirmative vote or consent of a majority-in-interest of the
1937 members is required to undertake an act, whether within or
1938 outside the ordinary course of the company's activities and
1939 affairs, including a transaction under ss. 608.961-608.972.

1940 (d) The operating agreement and articles of organization
1941 may be amended only with the affirmative vote or consent of all
1942 members.

1943 (2) In a manager-managed limited liability company, the

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1944 following rules apply:

1945 (a) Each manager has equal rights in the management and
1946 conduct of the company's activities and affairs.

1947 (b) Except as expressly provided in this chapter, a matter
1948 relating to the activities and affairs of the company shall be
1949 decided by the manager; if there is more than one manager, by
1950 the affirmative vote or consent of a majority of the managers;
1951 or if the action is taken without a meeting, then by their
1952 unanimous consent in a record.

1953 (c) Each member's vote is proportionate to that member's
1954 then current percentage or other interest in the profits of the
1955 limited liability company owned by all members.

1956 (d) Except as otherwise provided in this chapter, the
1957 affirmative vote or consent of a majority-in-interest of the
1958 members is required to undertake an act outside the ordinary
1959 course of the company's activities and affairs, including a
1960 transaction under ss. 608.961-608.972.

1961 (e) The operating agreement and articles of organization
1962 may be amended only with the affirmative vote or consent of all
1963 members.

1964 (3) If a member has transferred all or a portion of the
1965 member's transferable interest in the limited liability company
1966 to a person who is not admitted as a member and the transferring
1967 member has not been dissociated in accordance with s.
1968 608.7862(4), the transferring member continues to be entitled to
1969 vote on an action reserved to the members, with the vote of the
1970 transferring member being proportionate to the current
1971 percentage or other interest in the profits of the limited
1972 liability company owned by all members that the transferring

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1973 member would have if the transfer had not occurred.

1974 (4) An action requiring the vote or consent of members
1975 under this chapter may be taken without a meeting, and a member
1976 may appoint a proxy or other agent to vote or consent for the
1977 member by signing an appointing record, personally or by the
1978 member's agent. On an action taken by less than all of the
1979 members without a meeting, notice of the action must be given to
1980 those members who did not consent in writing to the action or
1981 who were not entitled to vote on the action within 10 days after
1982 the action was taken.

1983 (5) An action requiring the vote or consent of managers
1984 under this chapter may be taken without a meeting, if the action
1985 is unanimously approved by the managers in a record, and a
1986 manager may appoint a proxy or other agent to vote or consent
1987 for the manager by signing an appointing record, personally or
1988 by the manager's agent.

1989 (6) Meetings of members and meetings of managers may be
1990 held by a conference telephone call or other communications
1991 equipment if all persons participating in the meeting can hear
1992 each other. Participation in a meeting pursuant to this section
1993 constitutes presence in person at the meeting.

1994 608.7849 Agency rights of members and managers.-

1995 (1) In a member-managed limited liability company, the
1996 following rules apply:

1997 (a) Except as provided in subsection (3), each member is an
1998 agent of the limited liability company for the purpose of its
1999 activities and affairs. An act of a member, including signing an
2000 agreement or instrument of transfer in the name of the company
2001 for apparently carrying on in the ordinary course the company's

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2002 activities and affairs, or activities and affairs of the kind
2003 carried on by the company, binds the company unless the member
2004 had no authority to act for the company in the particular matter
2005 and the person with whom the member was dealing knew or had
2006 notice that the member lacked authority.

2007 (b) An act of a member which is not done for apparently
2008 carrying on in the ordinary course the limited liability
2009 company's activities and affairs, or activities and affairs of
2010 the kind carried on by the company, binds the company only if
2011 the act was authorized by appropriate vote of the members.

2012 (2) In a manager-managed limited liability company, the
2013 following rules apply:

2014 (a) A member is not an agent of the limited liability
2015 company for the purpose of its business solely by reason of
2016 being a member.

2017 (b) Except as provided in subsection (3), each manager is
2018 an agent of the limited liability company for the purpose of its
2019 business, and an act of a manager, including signing an
2020 agreement or instrument of transfer in the name of the company,
2021 for apparently carrying on in the ordinary course the company's
2022 business or business of the kind carried on by the company binds
2023 the company, unless the manager had no authority to act for the
2024 company in the particular matter and the person with whom the
2025 manager was dealing knew or had notice that the manager lacked
2026 authority.

2027 (c) An act of a manager which is not apparently for
2028 carrying on in the ordinary course the limited liability
2029 company's business or business of the kind carried on by the
2030 company, binds the company only if the act was authorized by

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2031 appropriate vote of the members.

2032 (3) Unless a certified statement of authority recorded in
2033 the applicable real estate records limits the authority of a
2034 member, a member of a member-managed company or manager of a
2035 manager-managed company may sign and deliver an instrument
2036 transferring or affecting the limited liability company's
2037 interest in real property. The instrument is conclusive in favor
2038 of a person who gives value without knowledge of the lack of the
2039 authority of the person signing and delivering the instrument.

2040 608.7850 Reimbursement, indemnification, advancement, and
2041 insurance.—

2042 (1) A limited liability company may reimburse a member of a
2043 member-managed company or the manager of a manager-managed
2044 company for a payment made by the member or manager in the
2045 course of the member's or manager's activities on behalf of the
2046 company, if the member or manager complied with ss. 608.7846-
2047 608.7851, including this section, in making the payment.

2048 (2) A limited liability company may indemnify and hold
2049 harmless a person with respect to any claim or demand against
2050 the person and a debt, obligation, or other liability incurred
2051 by the person by reason of the person's former or present
2052 capacity as a member or manager, if the claim, demand, debt,
2053 obligation, or other liability does not arise from the person's
2054 breach of s. 608.405 or ss. 608.7846-608.7851.

2055 (3) In the ordinary course of its activities and affairs, a
2056 limited liability company may advance reasonable expenses,
2057 including attorney fees and costs, incurred by a person in
2058 connection with a claim or demand against the person by reason
2059 of the person's former or present capacity as a member or

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2060 manager, if the person promises to repay the company if the
2061 person ultimately is determined not to be entitled to be
2062 indemnified under subsection (2).

2063 (4) A limited liability company may purchase and maintain
2064 insurance on behalf of a member or manager of the company
2065 against liability asserted against or incurred by the member or
2066 manager in that capacity or arising from that status even if:

2067 (a) Under s. 608.7805(3)(g) the operating agreement could
2068 not eliminate or limit the person's liability to the company for
2069 the conduct giving rise to the liability.

2070 (b) Under s. 608.7805(3)(n) the operating agreement could
2071 not provide for indemnification for the conduct giving rise to
2072 the liability.

2073 608.7851 Standards of conduct for members and managers.—

2074 (1) Each manager of a manager-managed limited liability
2075 company and member of a member-managed limited liability company
2076 owes fiduciary duties of loyalty and care to the limited
2077 liability company and members of the limited liability company.

2078 (2) The duty of loyalty is limited to:

2079 (a) Accounting to the limited liability company and holding
2080 as trustee for it any property, profit, or benefit derived by
2081 the manager or member, as applicable:

2082 1. In the conduct or winding up of the company's activities
2083 and affairs;

2084 2. From the use by the member or manager of the company's
2085 property; or

2086 3. From the appropriation of a company opportunity.

2087 (b) Refraining from dealing with the company in the conduct
2088 or winding up of the company's activities and affairs as or on

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2089 behalf of a person having an interest adverse to the company,
2090 except to the extent that a transaction satisfies the
2091 requirements of this section.

2092 (c) Refraining from competing with the company in the
2093 conduct of the company's activities and affairs before the
2094 dissolution of the company.

2095 (3) The duty of care in the conduct or winding up of the
2096 company's activities and affairs is limited to refraining from
2097 engaging in grossly negligent or reckless conduct, willful or
2098 intentional misconduct, or a knowing violation of law.

2099 (4) A manager of a manager-managed limited liability
2100 company and member of a member-managed limited liability company
2101 shall discharge their duties and obligations under this chapter
2102 or under the operating agreement and exercise any rights
2103 consistently with the obligation of good faith and fair dealing.

2104 (5) A manager of a manager-managed limited liability
2105 company or a member of a member-managed limited liability
2106 company does not violate a duty or obligation under this chapter
2107 or under the operating agreement solely because the manager's or
2108 member's conduct furthers such manager's or member's own
2109 interest.

2110 (6) In discharging his, her, or its duties, a manager of a
2111 manager-managed limited liability company or a member of a
2112 member-managed limited liability company is entitled to rely on
2113 information, opinions, reports, or statements, including
2114 financial statements and other financial data, if prepared or
2115 presented by:

2116 (a) One or more members or employees of the limited
2117 liability company whom the manager or member reasonably believes

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2118 to be reliable and competent in the matters presented;

2119 (b) Legal counsel, public accountants, or other persons as
2120 to matters the manager or member reasonably believes are within
2121 the persons' professional or expert competence; or

2122 (c) A committee of managers or members of which the
2123 affected manager or member is not a participant if the manager
2124 or member reasonably believes the committee merits confidence.

2125 (7) A manager or member, as applicable, is not acting in
2126 good faith if the manager or member has knowledge concerning the
2127 matter in question that makes reliance otherwise permitted by
2128 subsection (6) unwarranted.

2129 (8) In discharging his, her, or its duties, a manager of a
2130 manager-managed limited liability company or member of a member-
2131 managed limited liability company may consider factors the
2132 manager or member deems relevant, including the long-term
2133 prospects and interests of the limited liability company and its
2134 members, and the social, economic, legal, or other effects of an
2135 action on the employees, suppliers, customers of the limited
2136 liability company, the communities and society in which the
2137 limited liability company operates, and the economy of the state
2138 and the nation.

2139 (9) This section applies to a person winding up the limited
2140 liability company business as the legal representative of the
2141 last surviving member as if such person were subject to this
2142 section.

2143 608.7852 Conflict of interest transactions.-

2144 (1) As used in this section, the following terms and
2145 definitions apply:

2146 (a) A member or manager is "indirectly" a party to a

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2147 transaction if that member or manager has a material financial
2148 interest in or is a director, officer, manager or partner of a
2149 person, other than the limited liability company, who is a party
2150 to the transaction.

2151 (b) A member or manager has an "indirect material financial
2152 interest" if a spouse or other family member has a material
2153 financial interest in the transaction, other than having an
2154 indirect interest as a member or manager of the limited
2155 liability company, or if the transaction is with an entity,
2156 other than the limited liability company, that has a material
2157 financial interest in the transaction and controls, or is
2158 controlled by, the member or manager or another person specified
2159 in this subsection.

2160 (c) "Fair to the limited liability company" means that the
2161 transaction, as a whole, is beneficial to the limited liability
2162 company and its members, taking into appropriate account whether
2163 it is:

2164 1. Fair in terms of the member's or manager's dealings with
2165 the limited liability in connection with that transaction.

2166 2. Comparable to what might have been obtainable in an
2167 arms-length transaction.

2168 (2) If the requirements of this section have been
2169 satisfied, no transaction between a limited liability company
2170 and one or more of its members or managers, or another entity in
2171 which one or more of the limited liability company's members or
2172 managers has a financial or other interest, is either void or
2173 voidable because of that relationship or interest, because the
2174 members or managers are present at the meeting of the members or
2175 managers at which the transaction was authorized, approved,

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2176 effectuated, or ratified, or because their votes are counted for
2177 such purpose.

2178 (3) If a transaction is fair to the limited liability
2179 company at the time it is authorized, approved, effectuated, or
2180 ratified, the fact that a member or manager of the limited
2181 liability company is directly or indirectly a party to the
2182 transaction, other than being an indirect party as a result of
2183 being a member or manager of the limited liability company, or
2184 has a direct or indirect material financial interest or other
2185 interest in the transaction, other than having an indirect
2186 interest as a result of being a member or manager of the limited
2187 liability company, is not grounds for equitable relief or give
2188 rise to an award of damages or other sanctions.

2189 (4) (a) In a proceeding challenging the validity of a
2190 transaction described in s. 608.7851(1) or (3), the person
2191 challenging the validity has the burden of proving the lack of
2192 fairness of the transaction if:

2193 1. In a manager-managed limited liability company, the
2194 material facts of the transaction and the member's or manager's
2195 interest in the transaction were disclosed or known to the
2196 managers or a committee of managers who voted upon the
2197 transaction and the transaction was authorized, approved, or
2198 ratified by a majority of the disinterested managers even if the
2199 disinterested managers constitute less than a quorum, if the
2200 transaction cannot be authorized, approved, or ratified under
2201 this subsection solely by a single manager.

2202 2. In a member-managed limited liability company, or a
2203 manager-managed limited liability company in which the managers
2204 have failed to or cannot act under s. 608.7851, the material

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2205 facts of the transaction and the member's or manager's interest
2206 in the transaction were disclosed or known to the members who
2207 voted upon such transaction and the transaction was authorized,
2208 approved or ratified by a majority-in-interest of the
2209 disinterested members even if the disinterested members
2210 constitute less than a quorum.

2211 (b) If neither of the conditions provided in paragraph (a)
2212 have been satisfied, the person defending or asserting the
2213 validity of a transaction described in subsection (3) has the
2214 burden of proving its fairness in a proceeding challenging the
2215 validity of the transaction.

2216 (5) The presence of, or a vote cast by, a manager or member
2217 with an interest in the transaction does not affect the validity
2218 of an action taken under paragraph (4) (a) if the transaction is
2219 otherwise authorized, approved, or ratified as provided in that
2220 subsection, but the presence or vote of the manager or member
2221 may be counted for purposes of determining whether the
2222 transaction is approved under other sections of this chapter.

2223 (6) In addition to other grounds for challenge, a party
2224 challenging the validity of the transaction is not precluded
2225 from asserting and proving that a particular member or manager
2226 was not disinterested on grounds of financial or other interest
2227 for purposes of the vote on, consent to, or approval of the
2228 transaction.

2229 608.7853 Records to be kept; rights of member, manager, and
2230 person dissociated to information.—

2231 (1) A limited liability company shall keep at its principal
2232 office or another location the following records:

2233 (a) A current list of the full names and last known

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2234 business, residence, or mailing addresses of each member and
2235 manager.

2236 (b) A copy of a then-effective operating agreement and all
2237 amendments thereto, if made in a record.

2238 (c) A copy of the articles of organization, articles of
2239 merger, articles of interest exchange, articles of conversion,
2240 or articles of domestication, and other documents and all
2241 amendments thereto, concerning the limited liability company
2242 that were filed with the department, together with executed
2243 copies of any powers of attorney pursuant to which any articles
2244 of organization or such other documents were executed.

2245 (d) Copies of the limited liability company's federal,
2246 state, and local income tax returns and reports, if any, for the
2247 3 most recent years.

2248 (e) Copies of the financial statements of the limited
2249 liability company for the 3 most recent years.

2250 (f) Unless contained in an operating agreement made in a
2251 record, a record stating the amount of cash and a description
2252 and statement of the agreed value of the property or other
2253 benefits contributed and agreed to be contributed by each
2254 member, and the times at which, or occurrence of events upon
2255 which, additional contributions agreed to be made by each member
2256 are to be made.

2257 (2) In a member-managed limited liability company, the
2258 following rules apply:

2259 (a) Upon reasonable notice, a member may inspect and copy
2260 during regular business hours, at a reasonable location
2261 specified by the company:

2262 1. The records described in subsection (1).

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2263 2. Another record maintained by the company regarding the
2264 company's activities, affairs, financial condition, and other
2265 circumstances, to the extent the information is material to the
2266 member's rights and duties under the operating agreement or this
2267 chapter.

2268 (b) The company shall furnish to each member:

2269 1. Without demand, any information concerning the company's
2270 activities, affairs, financial condition, and other
2271 circumstances that the company knows and is material to the
2272 proper exercise of the member's rights and duties under the
2273 operating agreement or this chapter, except to the extent the
2274 company can establish that it reasonably believes the member
2275 already knows the information.

2276 2. On demand, other information concerning the company's
2277 activities, affairs, financial condition, and other
2278 circumstances, except to the extent the demand or information
2279 demand is unreasonable or otherwise improper under the
2280 circumstances.

2281 (c) The duty to furnish information under this subsection
2282 also applies to each member to the extent the member knows any
2283 of the information described in this subsection.

2284 (3) In a manager-managed limited liability company, the
2285 following rules apply:

2286 (a) The informational rights stated in subsection (2) and
2287 the duty stated in paragraph (2)(c) apply to the managers and
2288 not to the members.

2289 (b) During regular business hours and at a reasonable
2290 location specified by the company, a member may inspect and
2291 copy:

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- 2292 1. The records described in subsection (1).
- 2293 2. Full information regarding the activities, affairs,
2294 financial condition, and other circumstances of the company as
2295 is just and reasonable if:
- 2296 a. The member seeks the information for a purpose
2297 reasonably related to the member's interest as a member.
- 2298 b. The member makes a demand in a record received by the
2299 company, describing with reasonable particularity the
2300 information sought and the purpose for seeking the information.
- 2301 c. The information sought is directly connected to the
2302 member's purpose.
- 2303 (c) Within 10 days after receiving a demand pursuant to
2304 paragraph (2)(b), the company shall, in a record, inform the
2305 member who made the demand of:
- 2306 1. The information that the company will provide in
2307 response to the demand and when and where the company will
2308 provide the information.
- 2309 2. The company's reasons for declining, if the company
2310 declines to provide any demanded information.
- 2311 (d) Whenever this chapter or an operating agreement
2312 provides for a member to give or withhold consent to a matter,
2313 before the consent is given or withheld, the company shall,
2314 without demand, provide the member with all information that is
2315 known to the company and is material to the member's decision.
- 2316 (4) Subject to subsection (9), on 10 days' demand made in a
2317 record received by a limited liability company, a person
2318 dissociated as a member may have access to information to which
2319 the person was entitled while a member if:
- 2320 (a) The information pertains to the period during which the

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2321 person was a member.

2322 (b) The person seeks the information in good faith.

2323 (c) The person satisfies the requirements imposed on a
2324 member by paragraph (3) (b).

2325 (5) A limited liability company shall respond to a demand
2326 made pursuant to subsection (4) in the manner provided in
2327 paragraph (3) (c).

2328 (6) A limited liability company may charge a person who
2329 makes a demand under this section the reasonable costs of
2330 copying, which shall be limited to the costs of labor and
2331 materials.

2332 (7) A member or person dissociated as a member may exercise
2333 rights under this section through an agent or, in the case of an
2334 individual under legal disability, a legal representative. A
2335 restriction or condition imposed by the operating agreement or
2336 under subsection (9) applies both to the agent or legal
2337 representative and the member or person dissociated as a member.

2338 (8) Subject to subsection (10), the rights under this
2339 section do not extend to a person as transferee.

2340 (9) If a member dies, s. 608.7858 applies.

2341 (10) In addition to a restriction or condition stated in
2342 the operating agreement, a limited liability company, as a
2343 matter within the ordinary course of its activities and affairs,
2344 may impose reasonable restrictions and conditions on access to
2345 and use of information to be furnished under this section,
2346 including designating information confidential and imposing
2347 nondisclosure and safeguarding obligations on the recipient. In
2348 a dispute concerning the reasonableness of a restriction under
2349 this subsection, the company has the burden of proving

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2350 reasonableness. This subsection does not apply to the request by
2351 a member for the records described in subsection (1).

2352 608.7854 Court-ordered inspection.-

2353 (1) If a limited liability company does not allow a member,
2354 manager, or other person who complies with s. 608.7853(2)(a),
2355 (3)(a), (3)(b), or (4), as applicable, to inspect and copy any
2356 records required by that section to be available for inspection,
2357 the circuit court in the county where the limited liability
2358 company's principal office is located or, if there is none in
2359 this state, where its registered office is located, may
2360 summarily order inspection and copying of the records demanded
2361 at the limited liability company's expense upon application of
2362 the member, manager, or other person.

2363 (2) If the court orders inspection or copying of the
2364 records demanded, it shall also order the limited liability
2365 company to pay the costs, including reasonable attorney fees,
2366 reasonably incurred by the member, manager, or other person
2367 seeking the records to obtain the order and enforce its rights
2368 under this section unless the limited liability company proves
2369 that it refused inspection in good faith because it had a
2370 reasonable basis for doubt about the right of the member,
2371 manager, or such other person, to inspect or copy the records
2372 demanded.

2373 (3) If the court orders inspection or copying of the
2374 records demanded, it may impose reasonable restrictions on the
2375 use or distribution of the records by the member, manager, or
2376 other person demanding them.

2377 608.7855 Nature of transferable interest.-A transferable
2378 interest is personal property.

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- 2379 608.7856 Transfer of transferable interest.-
2380 (1) Subject to s. 608.7857(5), a transfer, in whole or in
2381 part, of a transferable interest:
2382 (a) Is permissible.
2383 (b) Does not by itself cause a member's dissociation or a
2384 dissolution and winding up of the limited liability company's
2385 activities and affairs.
2386 (c) Does not entitle the transferee to:
2387 1. Participate in the management or conduct of the
2388 company's activities and affairs; or
2389 2. Except as otherwise provided in subsection (3), have
2390 access to records or other information concerning the company's
2391 activities and affairs.
2392 (2) A transferee has the right to receive, in accordance
2393 with the transfer, distributions to which the transferor would
2394 otherwise be entitled.
2395 (3) In a dissolution and winding up of a limited liability
2396 company, a transferee is entitled to an account of the company's
2397 transactions only from the date of dissolution.
2398 (4) A transferable interest may be evidenced by a
2399 certificate of the interest issued by the limited liability
2400 company in a record, and, subject to this section, the interest
2401 represented by the certificate may be transferred by a transfer
2402 of the certificate.
2403 (5) A limited liability company need not give effect to a
2404 transferee's rights under this section until the company knows
2405 or has notice of the transfer.
2406 (6) A transfer of a transferable interest in violation of a
2407 restriction on transfer contained in the operating agreement is

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2408 ineffective as to a person having knowledge or notice of the
2409 restriction at the time of transfer.

2410 (7) Except as otherwise provided in s. 608.7862(5)(b), if a
2411 member transfers a transferable interest, the transferor retains
2412 the rights of a member other than the transferable interest
2413 transferred and retains all the duties and obligations of a
2414 member.

2415 (8) If a member transfers a transferable interest to a
2416 person who becomes a member with respect to the transferred
2417 interest, the transferee is liable for the member's obligations
2418 under ss. 608.7842 and 608.7845(3) known to the transferee when
2419 the transferee becomes a member.

2420 608.7857 Charging order.—

2421 (1) On application to a court of competent jurisdiction by
2422 a judgment creditor of a member or a transferee, the court may
2423 enter a charging order against the transferable interest of the
2424 member or transferee for payment of the unsatisfied amount of
2425 the judgment with interest. Except as provided in subsection
2426 (5), a charging order constitutes a lien upon a judgment
2427 debtor's transferable interest and requires the limited
2428 liability company to pay over to the judgment creditor a
2429 distribution that would otherwise be paid to the judgment
2430 debtor.

2431 (2) This chapter does not deprive a member or transferee of
2432 the benefit of an exemption law applicable to the transferable
2433 interest of the member or transferee.

2434 (3) Except as provided in subsections (4) and (5), a
2435 charging order is the sole and exclusive remedy by which a
2436 judgment creditor of a member or member's transferee may satisfy

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2437 a judgment from the judgment debtor's interest in a limited
2438 liability company or rights to distributions from the limited
2439 liability company.

2440 (4) In the case of a limited liability company having only
2441 one member, if a judgment creditor of a member or member's
2442 transferee establishes to the satisfaction of a court of
2443 competent jurisdiction that distributions under a charging order
2444 will not satisfy the judgment within a reasonable time, a
2445 charging order is not the sole and exclusive remedy by which the
2446 judgment creditor may satisfy the judgment against a judgment
2447 debtor who is the sole member of a limited liability company or
2448 the transferee of the sole member, and upon such showing, the
2449 court may order the sale of that interest in the limited
2450 liability company pursuant to a foreclosure sale. A judgment
2451 creditor may make a showing to the court that distributions
2452 under a charging order will not satisfy the judgment within a
2453 reasonable time at any time after the entry of the judgment and
2454 may do so at the same time that the judgment creditor applies
2455 for the entry of a charging order.

2456 (5) When a limited liability company has only one member,
2457 if the court orders a foreclosure sale of a judgment debtor's
2458 interest in the limited liability company or of a charging order
2459 lien against the sole member of the limited liability company
2460 pursuant to subsection (4):

2461 (a) The purchaser at the court-ordered foreclosure sale
2462 obtains the member's entire limited liability company interest,
2463 not merely the rights of a transferee.

2464 (b) The purchaser at the sale becomes the member of the
2465 limited liability company.

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2466 (c) The person whose limited liability company interest is
2467 sold pursuant to the foreclosure sale or is the subject of the
2468 foreclosed charging order ceases to be a member of the limited
2469 liability company.

2470 (6) In the case of a limited liability company having more
2471 than one member, the remedy of foreclosure on a judgment
2472 debtor's interest in the limited liability company or against
2473 rights to distribution from the limited liability company is not
2474 available to a judgment creditor attempting to satisfy the
2475 judgment and may not be ordered by a court.

2476 (7) This section does not limit:

2477 (a) The rights of a creditor who has been granted a
2478 consensual security interest in a limited liability company
2479 interest to pursue the remedies available to the secured
2480 creditor under other law applicable to secured creditors.

2481 (b) The principles of law and equity which affect
2482 fraudulent transfers.

2483 (c) The availability of the equitable principles of alter
2484 ego, equitable lien, or constructive trust, or other equitable
2485 principles not inconsistent with this section.

2486 (d) The continuing jurisdiction of the court to enforce its
2487 charging order in a manner consistent with this section.

2488 608.7858 Power of legal representative.—If a member who is
2489 an individual dies or a court of competent jurisdiction adjudges
2490 the member to be incompetent to manage the member's person or
2491 property, the member's legal representative may exercise all of
2492 the member's rights for the purpose of settling the member's
2493 estate or administering the member's property, including any
2494 power under an operating agreement of a transferee to become a

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2495 member. If a member is a corporation, trust, or other entity and
2496 is dissolved or terminated, the powers of that member may be
2497 exercised by its legal representative.

2498 608.7861 Power to dissociate as member; wrongful
2499 dissociation.—

2500 (1) A person has the power to dissociate as a member at any
2501 time, rightfully or wrongfully, by withdrawing as a member by
2502 express will under s. 608.7862(1).

2503 (2) A person's dissociation as a member is wrongful only if
2504 the dissociation:

2505 (a) Is in breach of an express provision of the operating
2506 agreement; or

2507 (b) Occurs before completion of the winding up of the
2508 company and:

- 2509 1. The person withdraws as a member by express will;
2510 2. The person is expelled as a member by judicial order
2511 under s. 608.7862(6);
2512 3. The person is dissociated under s. 608.7862(8); or
2513 4. In the case of a person that is not a trust other than a
2514 business trust, an estate, or an individual, the person is
2515 expelled or otherwise dissociated as a member because it
2516 willfully dissolved or terminated.

2517 (3) A person who wrongfully dissociates as a member is
2518 liable to the limited liability company and, subject to s.
2519 608.7931, to the other members for damages caused by the
2520 dissociation. The liability is in addition to a debt,
2521 obligation, or other liability of the member to the company or
2522 the other members.

2523 608.7862 Events causing dissociation.—A person is

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2524 dissociated as a member when:

2525 (1) The company has notice of the person's express will to
2526 withdraw as a member, but, if the person specified a withdrawal
2527 date later than the date the company had notice, on that later
2528 date.

2529 (2) An event stated in the operating agreement as causing
2530 the person's dissociation occurs.

2531 (3) The person's entire interest is transferred in a
2532 foreclosure sale under s. 608.7857(5).

2533 (4) The person is expelled as a member pursuant to the
2534 operating agreement.

2535 (5) The person is expelled as a member by the unanimous
2536 consent of the other members if:

2537 (a) It is unlawful to carry on the company's activities and
2538 affairs with the person as a member.

2539 (b) There has been a transfer of all the person's
2540 transferable interest in the company, other than:

2541 1. A transfer for security purposes; or

2542 2. A charging order in effect under s. 608.7857 which has
2543 not been foreclosed.

2544 (c) The person is a corporation.

2545 1. The company notifies the person that it will be expelled
2546 as a member because the person has filed articles or a
2547 certificate of dissolution or the equivalent, its charter has
2548 been revoked, or its right to conduct business has been
2549 suspended by the jurisdiction of its formation.

2550 2. Within 90 days after the notification, the articles or
2551 certificate of dissolution or the equivalent has not been
2552 revoked or its charter or right to conduct business has not been

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2553 reinstated.

2554 (d) The person is an unincorporated entity that has been
2555 dissolved and whose business is being wound up.

2556 (6) On application by the company or a member in a direct
2557 action under s. 608.7931, the person is expelled as a member by
2558 judicial order because the person:

2559 (a) Has engaged or is engaging in wrongful conduct that has
2560 affected adversely and materially, or will affect adversely and
2561 materially, the company's activities and affairs;

2562 (b) Has committed willfully or persistently, or is
2563 committing willfully and persistently, a material breach of the
2564 operating agreement or a duty or obligation under s. 608.7851;
2565 or

2566 (c) Has engaged, or is engaging, in conduct relating to the
2567 company's activities and affairs which makes it not reasonably
2568 practicable to carry on the activities and affairs with the
2569 person as a member.

2570 (7) In the case of an individual:

2571 (a) The individual dies; or

2572 (b) In a member-managed limited liability company:

2573 1. A guardian or general conservator for the individual is
2574 appointed; or

2575 2. There is a judicial order that the individual has
2576 otherwise become incapable of performing the individual's duties
2577 as a member under this chapter or the operating agreement.

2578 (8) In a member-managed limited liability company, the
2579 person:

2580 (a) Becomes a debtor in bankruptcy;

2581 (b) Executes an assignment for the benefit of creditors; or

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2582 (c) Seeks, consents to, or acquiesces in the appointment of
2583 a trustee, receiver, or liquidator of the person or of all or
2584 substantially all the person's property.

2585 (9) In the case of a person who is a testamentary or inter
2586 vivos trust or is acting as a member by virtue of being a
2587 trustee of such a trust, the trust's entire transferable
2588 interest in the company is distributed.

2589 (10) In the case of a person who is an estate or is acting
2590 as a member by virtue of being a legal representative of an
2591 estate, the estate's entire transferable interest in the company
2592 is distributed.

2593 (11) In the case of a person that is not an individual,
2594 corporation, unincorporated entity, trust, or estate, the
2595 existence of the person terminates.

2596 (12) The company participates in a merger under ss.
2597 608.925-608.930; and

2598 (a) The company is not the surviving entity; or

2599 (b) Otherwise as a result of the merger, the person ceases
2600 to be a member.

2601 (13) The company participates in a conversion under ss.
2602 608.941-608.950 and the person ceases to be member.

2603 (14) The company participates in an interest exchange under
2604 ss. 608.935-608.940 and the person ceases to be a member.

2605 (15) The company dissolves and completes winding up.
2606 608.7863 Effect of dissociation.-

2607 (1) If a person is dissociated as a member:

2608 (a) The person's right to participate as a member in the
2609 management and conduct of the company's activities and affairs
2610 terminates.

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2611 (b) If the company is member-managed, the person's duties
2612 and obligations under s. 608.7851 as a member end with regard to
2613 matters arising and events occurring after the person's
2614 dissociation.

2615 (c) Subject to s. 608.7858 and ss. 608.961-608.972, a
2616 transferable interest owned by the person in the person's
2617 capacity immediately before dissociation as a member is owned by
2618 the person solely as a transferee.

2619 (2) A person's dissociation as a member does not, of
2620 itself, discharge the person from a debt, obligation, or other
2621 liability to the company or the other members which the person
2622 incurred while a member.

2623 608.7911 Events causing dissolution.—A limited liability
2624 company is dissolved and its activities and affairs must be
2625 wound up upon the occurrence of:

2626 (1) An event or circumstance that the operating agreement
2627 states causes dissolution.

2628 (2) The consent of all the members.

2629 (3) The passage of 90 consecutive days during which the
2630 company has no members, unless:

2631 (a) Consent to admit at least one specified person as a
2632 member is given by transferees owning the rights to receive a
2633 majority of distributions as transferees at the time the consent
2634 is to be effective.

2635 (b) At least one person becomes a member in accordance with
2636 the consent.

2637 (4) The entry of a decree of judicial dissolution in
2638 accordance with s. 608.7915.

2639 (5) The filing of a statement of administrative dissolution

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2640 by the department under s. 608.7924.

2641 608.7912 Grounds for judicial dissolution.—A circuit court
2642 may dissolve a limited liability company:

2643 (1) In a proceeding by the Department of Legal Affairs if
2644 it is established that:

2645 (a) The limited liability company obtained its articles of
2646 organization through fraud; or

2647 (b) The limited liability company has continued to exceed
2648 or abuse the authority conferred upon it by law.

2649
2650 The enumeration in paragraphs (a) and (b) of grounds for
2651 involuntary dissolution does not exclude actions or special
2652 proceedings by the Department of Legal Affairs or a state
2653 official for the annulment or dissolution of a limited liability
2654 company for other causes as provided in another law of this
2655 state.

2656 (2) In a proceeding by a manager or member if it is
2657 established that:

2658 (a) The conduct of all or substantially all of the
2659 company's activities and affairs is unlawful;

2660 (b) It is not reasonably practicable to carry on the
2661 company's activities and affairs in conformity with the articles
2662 of organization and the operating agreement;

2663 (c) The managers or members in control of the company have
2664 acted, are acting, or are reasonably expected to act in a manner
2665 that is illegal or fraudulent;

2666 (d) The limited liability company's assets are being
2667 misappropriated or wasted, causing material injury to the
2668 limited liability company, or in a proceeding by a member,

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2669 causing material injury to one or more of its members; or
2670 (e) Subject to subsection (4), the managers or those
2671 members in control of the limited liability company are
2672 deadlocked in the management of the limited liability company
2673 affairs, the members are unable to break the deadlock, and
2674 irreparable injury to the limited liability company is
2675 threatened or being suffered.

2676 (3) In a proceeding by the limited liability company to
2677 have its voluntary dissolution continued under court
2678 supervision.

2679 (4) If a deadlock exists among the managers or members in
2680 control of a limited liability company and the managers or
2681 members are unable to break the deadlock, irreparable injury to
2682 the company is threatened or being suffered, and the operating
2683 agreement contains a deadlock sale provision that has been
2684 automatically triggered or has been triggered by a member before
2685 the establishment of the grounds for judicial dissolution under
2686 paragraph (2)(e), then the grounds for judicial dissolution
2687 under paragraph (2)(e) are no longer applicable to that
2688 deadlock. For purposes of this section, a deadlock sale
2689 provision means a provision in an operating agreement that is or
2690 may be applicable in the event of a deadlock among the managers
2691 or members in control of the limited liability company that the
2692 members are unable to break, which provides for an automatically
2693 triggered or a member-triggered purchase and sale of interests
2694 or governance interests among or between members or an
2695 automatically triggered or a member-triggered sale of all or
2696 substantially all of the assets of the company or a subsidiary
2697 of the company, or a similar provision that, if triggered,

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2698 breaks the deadlock by causing the transfer of the interests or
2699 governance interests of one or more members or the sale of all
2700 or substantially all of the company's or a subsidiary's assets.
2701 A deadlock provision in an operating agreement that is not
2702 triggered before the establishment of the grounds for judicial
2703 dissolution under paragraph (2) (e) does not adversely affect the
2704 rights of members and managers to seek judicial dissolution
2705 under paragraph (2) (e).

2706 608.7913 Procedure for judicial dissolution; alternative
2707 remedies.—

2708 (1) Venue for a proceeding brought under s. 608.7912 lies
2709 in the circuit court of the county where the limited liability
2710 company's principal office is or was last located, as shown by
2711 the records of the department or, if none in this state, where
2712 its registered office is or was last located.

2713 (2) It is not necessary to make members parties to a
2714 proceeding to dissolve a limited liability company unless relief
2715 is sought against them individually.

2716 (3) A court in a proceeding brought to dissolve a limited
2717 liability company may issue injunctions, appoint a receiver or
2718 custodian pendente lite with all powers and duties the court
2719 directs, take other action required to preserve the limited
2720 liability company's assets wherever located, and carry on the
2721 business of the limited liability company until a full hearing
2722 can be held.

2723 (4) In a proceeding brought under s. 608.7912, the court
2724 may, upon a showing of sufficient merit to warrant such a
2725 remedy:

2726 (a) Appoint a receiver or custodian under s. 608.7914;

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2727 (b) Order a purchase of a petitioning member's interest
2728 pursuant to s. 608.7916; or

2729 (c) Upon a showing of good cause, order another remedy the
2730 court deems appropriate in its discretion, including an
2731 equitable remedy.

2732 (5) Section 57.105 applies to a proceeding brought under s.
2733 608.7912.

2734 608.7914 Receivership or custodianship.-

2735 (1) A court in a judicial proceeding brought to dissolve a
2736 limited liability company may appoint one or more receivers to
2737 wind up and liquidate, or one or more custodians to manage the
2738 business and affairs of the limited liability company. The court
2739 shall hold a hearing, after notifying all parties to the
2740 proceeding and an interested person designated by the court,
2741 before appointing a receiver or custodian. The court appointing
2742 a receiver or custodian has exclusive jurisdiction over the
2743 limited liability company and all of its property, wherever
2744 located.

2745 (2) The court may appoint a person authorized to act as a
2746 receiver or custodian. The court may require the receiver or
2747 custodian to post bond, with or without sureties, in an amount
2748 the court directs.

2749 (3) The court shall describe the powers and duties of the
2750 receiver or custodian in its appointing order, which may be
2751 amended. Among other powers:

2752 (a) The receiver:

2753 1. May dispose of all or a part of the assets of the
2754 limited liability company wherever located, at a public or
2755 private sale, if authorized by the court.

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2756 2. May sue and defend in the receiver's own name, as
2757 receiver of the limited liability company, in all courts of this
2758 state.

2759 (b) The custodian may exercise all of the powers of the
2760 limited liability company, through or in place of its managers
2761 or members, to the extent necessary to manage the activities and
2762 affairs of the limited liability company in the best interests
2763 of its members and creditors.

2764 (4) The court, during a receivership, may redesignate the
2765 receiver as a custodian, and during a custodianship may
2766 redesignate the custodian as a receiver, if doing so is in the
2767 best interests of the limited liability company and its members
2768 and creditors.

2769 (5) During the receivership or custodianship the court may
2770 order compensation paid and expense disbursements or
2771 reimbursements made to the receiver or custodian and the
2772 receiver's or custodian's counsel from the assets of the limited
2773 liability company or proceeds from the sale of part or all of
2774 those assets.

2775 (6) The court has jurisdiction to appoint an ancillary
2776 receiver for the assets and business of a limited liability
2777 company. The ancillary receiver shall serve ancillary to a
2778 receiver located in another state, whenever the court deems that
2779 circumstances exist requiring the appointment of such a
2780 receiver. The court may appoint such an ancillary receiver for a
2781 foreign limited liability company even though no receiver has
2782 been appointed elsewhere. The receivership shall be converted
2783 into an ancillary receivership when an order entered by a court
2784 of competent jurisdiction in the other state provides for a

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2785 receivership of the foreign limited liability company.

2786 608.7915 Decree of dissolution.—

2787 (1) If, after a hearing, the court determines that one or
2788 more grounds for judicial dissolution described in s. 608.7912
2789 exist, the court may enter a decree dissolving the limited
2790 liability company and specifying the effective date of the
2791 dissolution, and the clerk of the court shall deliver a
2792 certified copy of the decree to the department, which shall file
2793 the decree.

2794 (2) After entering the decree of dissolution, the court
2795 shall direct the winding up and liquidation of the limited
2796 liability company's activities and affairs in accordance with
2797 ss. 608.7919-608.7923, subject to subsection (3).

2798 (3) In a proceeding for judicial dissolution, the court may
2799 require all creditors of the limited liability company to file
2800 with the clerk of the court or with the receiver, in a form as
2801 the court may prescribe, proofs under oath of their respective
2802 claims. If the court requires the filing of claims, the court
2803 shall fix a date, which may not be less than 4 months after the
2804 date of the order, as the last day for filing claims. The court
2805 shall prescribe the deadline for filing claims that shall be
2806 given to creditors and claimants. Before the date so fixed, the
2807 court may extend the time for the filing of claims by court
2808 order. Creditors and claimants failing to file proofs of claim
2809 on or before the date so fixed may be barred, by order of court,
2810 from participating in the distribution of the assets of the
2811 limited liability company. Nothing in this section affects the
2812 enforceability of a recorded mortgage or lien or the perfected
2813 security interest or rights of a person in possession of real or

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2814 personal property.

2815 608.7916 Election to purchase instead of dissolution.-

2816 (1) In a proceeding initiated by a member of a limited
2817 liability company under s. 608.7912(2) to dissolve the company,
2818 the company may elect, or, if it fails to elect, one or more
2819 other members may elect to purchase the entire interest of the
2820 petitioner in the company at the fair value of the interest. An
2821 election pursuant to this section is irrevocable unless the
2822 court determines that it is equitable to set aside or modify the
2823 election.

2824 (2) An election to purchase pursuant to this section may be
2825 filed with the court within 90 days after the filing of the
2826 petition by the petitioning member under s. 608.7912(2) or at
2827 such later time as the court in its discretion may allow. If the
2828 election to purchase is filed, the company shall, within 10 days
2829 thereafter, give written notice to all members, other than the
2830 petitioning member. The notice must describe the interest in the
2831 company owned by each petitioning member and must advise the
2832 recipients of their right to join in the election to purchase
2833 the petitioning member's interest in accordance with this
2834 section. Members who wish to participate must file notice of
2835 their intention to join in the purchase within 30 days after the
2836 effective date of the notice. A member who has filed an election
2837 or notice of the intent to participate in the election to
2838 purchase thereby becomes a party to the proceeding and shall
2839 participate in the purchase in proportion to the ownership
2840 interest as of the date the first election was filed, unless he
2841 or she otherwise agrees or the court otherwise directs. After an
2842 election to purchase has been filed by the limited liability

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2843 company or one or more members, the proceeding under s.
2844 608.7912(2) may not be discontinued or settled, nor may the
2845 petitioning member sell or otherwise dispose of interest of the
2846 petitioner in the company, unless the court determines that it
2847 would be equitable to the company and the members, other than
2848 the petitioner, to permit such discontinuance, settlement, sale,
2849 or other disposition.

2850 (3) If, within 60 days after the filing of the first
2851 election, the parties reach agreement as to the fair value and
2852 terms of the purchase of the petitioner's interest, the court
2853 shall enter an order directing the purchase of petitioner's
2854 interest upon the terms and conditions agreed to by the parties.

2855 (4) If the parties are unable to reach an agreement as
2856 provided for in subsection (3), the court, upon application of a
2857 party, shall stay the proceedings and determine the fair value
2858 of the petitioner's interest as of the day before the date on
2859 which the petition was filed or as of such other date as the
2860 court deems appropriate under the circumstances.

2861 (5) Upon determining the fair value of the petitioner's
2862 interest in the company, the court shall enter an order
2863 directing the purchase upon such terms and conditions as the
2864 court deems appropriate, which may include payment of the
2865 purchase price in installments, when necessary in the interests
2866 of equity; provision for security to ensure payment of the
2867 purchase price and additional costs, fees, and expenses as may
2868 have been awarded; and, if the interest is to be purchased by
2869 members, the allocation of the interest among those members. In
2870 allocating petitioner's interest among holders of different
2871 classes or series of interests in the company, the court shall

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2872 attempt to preserve the existing distribution of voting rights
2873 among holders of different classes insofar as practicable and
2874 may direct that holders of a specific class or classes or series
2875 not participate in the purchase. Interest may be allowed at the
2876 rate and from the date determined by the court to be equitable;
2877 however, if the court finds that the refusal of the petitioning
2878 member to accept an offer of payment was arbitrary or otherwise
2879 not in good faith, no payment of interest is allowed. If the
2880 court finds that the petitioning member had probable grounds for
2881 relief under s. 608.7912(2) (d) or (e), it may award to the
2882 petitioning member reasonable fees and expenses of counsel and
2883 of experts employed by petitioner.

2884 (6) Upon entry of an order under subsection (3) or
2885 subsection (5), the court shall dismiss the petition to dissolve
2886 the limited liability company and the petitioning member shall
2887 no longer have rights or status as a member of the limited
2888 liability company, except the right to receive the amounts
2889 awarded by the order of the court, which shall be enforceable in
2890 the same manner as another judgment.

2891 (7) The purchase ordered pursuant to subsection (5) must be
2892 made within 10 days after the date the order becomes final
2893 unless, before that time, the limited liability company files
2894 with the court a notice of its intention to dissolve pursuant to
2895 s. 608.7911(2), in which case articles of dissolution for the
2896 company must be filed within 50 days thereafter. Upon filing of
2897 such articles of dissolution, the limited liability company
2898 shall be dissolved in accordance with ss. 608.7919-608.7923, and
2899 the order entered pursuant to subsection (5) shall no longer be
2900 of force or effect, except that the court may award the

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2901 petitioning member reasonable fees and expenses of counsel and
2902 experts in accordance with subsection (5) and the petitioner may
2903 continue to pursue any claims previously asserted on behalf of
2904 the limited liability company.

2905 (8) A payment by the limited liability company pursuant to
2906 an order under subsection (3) or subsection (5), other than an
2907 award of fees and expenses pursuant to subsection (5), is
2908 subject to s. 608.7844.

2909 608.7917 Articles of dissolution; filing of articles of
2910 dissolution.-

2911 (1) Upon the occurrence of an event described in s.
2912 608.7911(1)-(3), the limited liability company shall deliver for
2913 filing articles of dissolution as provided in this section.

2914 (2) The articles of dissolution must set forth:

2915 (a) The name of the limited liability company.

2916 (b) The effective date of the limited liability company's
2917 dissolution.

2918 (c) The occurrence that resulted in the limited liability
2919 company's dissolution.

2920 (d) If there are no members, the name, address, and
2921 signature of the person appointed in accordance with this
2922 subsection to wind up the company.

2923 (3) The articles of dissolution of the limited liability
2924 company shall be delivered to the department. If the department
2925 finds that the articles of dissolution conform to law, it shall,
2926 when all fees have been paid as prescribed in this chapter, file
2927 the articles of dissolution and issue a certificate of
2928 dissolution.

2929 (4) Upon the filing of the articles of dissolution, the

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2930 limited liability company shall cease conducting its business
2931 and shall continue solely for the purpose of winding up its
2932 affairs in accordance with s. 608.7919, except for the purpose
2933 of lawsuits, other proceedings, and appropriate action as
2934 provided in this chapter.

2935 608.7918 Revocation of articles of dissolution.-

2936 (1) A limited liability company that has dissolved as the
2937 result of an event described in s. 608.7911(1)-(3) and filed
2938 articles of dissolution with the department, but has not filed a
2939 statement of termination that has become effective, may revoke
2940 its dissolution at any time before 120 days after the effective
2941 date of its articles of dissolution.

2942 (2) The revocation of the dissolution shall be authorized
2943 in the same manner as the dissolution was authorized.

2944 (3) After the revocation of dissolution is authorized, the
2945 limited liability company shall deliver a statement of
2946 revocation of dissolution to the department for filing, together
2947 with a copy of its articles of dissolution, that sets forth:

2948 (a) The name of the limited liability company.

2949 (b) The effective date of the dissolution that was revoked.

2950 (c) The date that the statement of revocation of
2951 dissolution was authorized.

2952 (4) If there has been substantial compliance with
2953 subsection (3), the revocation of dissolution is effective when
2954 the department files the statement of revocation of dissolution.

2955 (5) When the revocation of dissolution becomes effective:

2956 (a) The company resumes carrying on its activities and
2957 affairs as if dissolution had never occurred.

2958 (b) Subject to paragraph (c), a liability incurred by the

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2959 company after the dissolution and before the revocation is
2960 effective is determined as if dissolution had never occurred.

2961 (c) The rights of a third party arising out of conduct in
2962 reliance on the dissolution before the third party knew or had
2963 notice of the revocation may not be adversely affected.

2964 608.7919 Winding up.—

2965 (1) A dissolved limited liability company shall wind up its
2966 activities and affairs and, except as otherwise provided in ss.
2967 608.7918 and 608.7925, the company continues after dissolution
2968 only for the purpose of winding up.

2969 (2) In winding up its activities and affairs, a limited
2970 liability company:

2971 (a) Shall discharge or make provision for the company's
2972 debts, obligations, and other liabilities as provided in ss.
2973 608.7920-608.7923, settle and close the company's activities and
2974 affairs, and marshal and distribute the assets of the company.

2975 (b) May:

2976 1. Preserve the company's activities, affairs, and property
2977 as a going concern for a reasonable time.

2978 2. Prosecute and defend actions and proceedings, whether
2979 civil, criminal, or administrative.

2980 3. Transfer title to the company's real estate and other
2981 property.

2982 4. Settle disputes by mediation or arbitration.

2983 5. Dispose of its properties that will not be distributed
2984 in kind to its members.

2985 6. Perform other acts necessary or appropriate to the
2986 winding up.

2987 (3) If a dissolved limited liability company has no

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2988 members, the legal representative of the last person to have
2989 been a member may wind up the activities and affairs of the
2990 company. If the legal representative does so, the person has the
2991 powers of a sole manager under s. 608.7846(3) and is deemed to
2992 be a manager for the purposes of s. 608.7834(1).

2993 (4) If the legal representative under subsection (3)
2994 declines or fails to wind up the company's activities and
2995 affairs, a person may be appointed to do so by the consent of
2996 transferees owning a majority of the rights to receive
2997 distributions as transferees at the time the consent is to be
2998 effective. A person appointed under this subsection has the
2999 powers of a sole manager under s. 608.7846(3) and is deemed to
3000 be a manager for the purposes of s. 608.7834(1).

3001 (5) A circuit court may order judicial supervision of the
3002 winding up of a dissolved limited liability company, including
3003 the appointment of one or more persons to wind up the company's
3004 activities and affairs:

3005 (a) On application of a member or manager, if the applicant
3006 establishes good cause;

3007 (b) On the application of a transferee, if:

3008 1. The company does not have any members.

3009 2. The legal representative of the last person to have been
3010 a member declines or fails to wind up the company's activities
3011 and affairs.

3012 3. Within a reasonable time following the dissolution a
3013 person has not been appointed pursuant to subsection (3);

3014 (c) On application of a creditor of the company if the
3015 applicant establishes good cause, but only if a receiver,
3016 custodian, or another person has not already been appointed for

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3017 that purpose under this chapter; or

3018 (d) In connection with a proceeding under s. 608.7912, if a
3019 receiver, custodian, or another person has not already been
3020 appointed for that purpose under s. 608.7914.

3021 (6) The person or persons appointed by a court under
3022 subsection (5) may also be designated trustees or receivers of
3023 and for the company with the authority and power to take charge
3024 of the limited liability company's property; to collect the
3025 debts and property due and belonging to the limited liability
3026 company, to prosecute and defend, in the name of the limited
3027 liability company, or otherwise, all such suits as may be
3028 necessary or proper for the purposes described above, and to
3029 appoint an agent or agents under them; and to do all other acts
3030 that might be done by the limited liability company, if in
3031 being, that may be necessary for the final settlement of the
3032 unfinished activities and affairs of the limited liability
3033 company. The powers of the trustees or receivers may be
3034 continued as long as the court determines necessary for the
3035 above purposes.

3036 (7) A dissolved limited liability company that has
3037 completed winding up may deliver to the department for filing a
3038 statement of termination that provides:

3039 (a) The name of the limited liability company.

3040 (b) The date of filing of its initial articles of
3041 organization.

3042 (c) The date of the filing of its articles of dissolution.

3043 (d) The limited liability company has completed winding up
3044 its affairs and has determined that it will file a statement of
3045 termination.

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3046 (e) Other information as determined by the authorized
3047 representative.

3048 (8) The manager or managers in office at the time of
3049 dissolution or the survivors of them, or, if none, the members,
3050 shall thereafter be trustees for the members and creditors of
3051 the dissolved limited liability company. The trustees may
3052 distribute property of the limited liability company discovered
3053 after dissolution, convey real estate and other property, and
3054 take such other action as may be necessary on behalf of and in
3055 the name of the dissolved limited liability company.

3056 608.7920 Disposition of assets in winding up.—

3057 (1) In winding up its activities and affairs, a limited
3058 liability company must apply its assets to discharge its
3059 obligations to creditors, including members who are creditors.

3060 (2) After a limited liability company complies with
3061 subsection (1), the surplus must be distributed in the following
3062 order, subject to a charging order in effect under s. 608.7857:

3063 (a) To each person owning a transferable interest that
3064 reflects contributions made and not previously returned, an
3065 amount equal to the value of the unreturned contributions.

3066 (b) To members and dissociated members, in the proportions
3067 in which they shared in distributions before dissolution, except
3068 to the extent necessary to comply with a transfer effective
3069 under s. 608.7856.

3070 (3) If the limited liability company does not have
3071 sufficient surplus to comply with paragraph (2) (a), any surplus
3072 must be distributed among the owners of transferable interests
3073 in proportion to the value of their respective unreturned
3074 contributions.

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3075 (4) All distributions made under subsections (2) and (3)
3076 must be paid in money.

3077 608.7921 Known claims against dissolved limited liability
3078 company.—

3079 (1) A dissolved limited liability company or successor
3080 entity, as defined in subsection (14), may dispose of the known
3081 claims against it by following the procedure described in
3082 subsections (2)-(7).

3083 (2) A dissolved limited liability company or successor
3084 entity shall deliver to each of its known claimants written
3085 notice of the dissolution after its effective date. The written
3086 notice must:

3087 (a) Provide a reasonable description of the claim that the
3088 claimant may be entitled to assert.

3089 (b) State whether the claim is admitted or not admitted, in
3090 whole or in part, and, if admitted:

3091 1. The amount that is admitted, which may be as of a given
3092 date.

3093 2. An interest obligation if fixed by an instrument of
3094 indebtedness.

3095 (c) Provide a mailing address to which a claim may be sent.

3096 (d) State the deadline, which may not be less than 120 days
3097 after the effective date of the written notice, by which
3098 confirmation of the claim must be delivered to the dissolved
3099 limited liability company or successor entity.

3100 (e) State that the dissolved limited liability company or
3101 successor entity may make distributions to other claimants and
3102 to the members or transferees of the limited liability company
3103 or persons interested without further notice.

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3104 (3) A dissolved limited liability company or successor
3105 entity may reject, in whole or in part, a claim made by a
3106 claimant pursuant to this section by mailing notice of the
3107 rejection to the claimant within 90 days after receipt of the
3108 claim and, in all events, at least 150 days before expiration of
3109 3 years after the effective date of dissolution. A notice sent
3110 by the dissolved limited liability company or successor entity
3111 pursuant to this subsection must be accompanied by a copy of
3112 this section.

3113 (4) A dissolved limited liability company or successor
3114 entity electing to follow the procedures described in
3115 subsections (2) and (3) shall also give notice of the
3116 dissolution of the limited liability company to persons with
3117 known claims that are contingent upon the occurrence or
3118 nonoccurrence of future events or otherwise conditional or
3119 unmatured, and request that the persons present the claims in
3120 accordance with the terms of the notice. The notice must be in
3121 substantially the form and sent in the same manner as described
3122 in subsection (2).

3123 (5) A dissolved limited liability company or successor
3124 entity shall offer a claimant whose known claim is contingent,
3125 conditional, or unmatured such security as the limited liability
3126 company or entity determines is sufficient to provide
3127 compensation to the claimant if the claim matures. The dissolved
3128 limited liability company or successor entity shall deliver such
3129 offer to the claimant within 90 days after receipt of the claim
3130 and, in all events, at least 150 days before expiration of 3
3131 years after the effective date of dissolution. If the claimant
3132 who is offered the security does not deliver in writing to the

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3133 dissolved limited liability company or successor entity a notice
3134 rejecting the offer within 120 days after receipt of the offer
3135 for security, the claimant is deemed to have accepted such
3136 security as the sole source from which to satisfy his or her
3137 claim against the limited liability company.

3138 (6) A dissolved limited liability company or successor
3139 entity that gives notice in accordance with subsections (2) and
3140 (4) shall petition the circuit court in the applicable county to
3141 determine the amount and form of security that is sufficient to
3142 provide compensation to a claimant who has rejected the offer
3143 for security made pursuant to subsection (5).

3144 (7) A dissolved limited liability company or successor
3145 entity that has given notice in accordance with subsection (2)
3146 shall petition the circuit court in the applicable county to
3147 determine the amount and form of security that will be
3148 sufficient to provide compensation to claimants whose claims are
3149 known to the limited liability company or successor entity but
3150 whose identities are unknown. The court shall appoint a guardian
3151 ad litem to represent all claimants whose identities are unknown
3152 in a proceeding brought under this subsection. The reasonable
3153 fees and expenses of the guardian, including all reasonable
3154 expert witness fees, shall be paid by the petitioner in the
3155 proceeding.

3156 (8) The giving of notice or making of an offer pursuant to
3157 this section does not revive a claim then barred, extend an
3158 otherwise applicable statute of limitations, or constitute
3159 acknowledgment by the dissolved limited liability company or
3160 successor entity that a person to whom such notice is sent is a
3161 proper claimant, and does not operate as a waiver of a defense

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3162 or counterclaim in respect of a claim asserted by a person to
3163 whom such notice is sent.

3164 (9) A dissolved limited liability company or successor
3165 entity that followed the procedures described in subsections
3166 (2)-(7) must:

3167 (a) Pay the claims admitted or made and not rejected in
3168 accordance with subsection (3).

3169 (b) Post the security offered and not rejected pursuant to
3170 subsection (5).

3171 (c) Post a security ordered by the circuit court in a
3172 proceeding under subsections (6) and (7).

3173 (d) Pay or make provision for all other known obligations
3174 of the limited liability company or the successor entity.

3175
3176 If there are sufficient funds, such claims or obligations must
3177 be paid in full, and a provision for payments must be made in
3178 full. If there are insufficient funds, the claims and
3179 obligations shall be paid or provided for according to their
3180 priority and, among claims of equal priority, ratably to the
3181 extent of funds that are legally available therefor. Remaining
3182 funds shall be distributed to the members and transferees of the
3183 dissolved limited liability company. However, the distribution
3184 may not be made before the expiration of 150 days after the date
3185 of the last notice of a rejection given pursuant to subsection
3186 (3). In the absence of actual fraud, the judgment of the
3187 managers of a dissolved manager-managed limited liability
3188 company, or the members of a dissolved member-managed limited
3189 liability company, or other person or persons winding up the
3190 limited liability company or the governing persons of the

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3191 successor entity, as to the provisions made for the payment of
3192 all obligations under paragraph (d), is conclusive.

3193 (10) A dissolved limited liability company or successor
3194 entity that has not followed the procedures described in
3195 subsections (2) and (3) shall pay or make reasonable provision
3196 to pay all known claims and obligations, including all
3197 contingent, conditional, or unmatured claims known to the
3198 dissolved limited liability company or the successor entity and
3199 all claims that are known to the dissolved limited liability
3200 company or the successor entity but for which the identity of
3201 the claimant is unknown. If there are sufficient funds, the
3202 claims must be paid in full, and a provision made for payment
3203 must be made in full. If there are insufficient funds, the
3204 claims and obligations shall be paid or provided for according
3205 to their priority and, among claims of equal priority, ratably
3206 to the extent of funds that are legally available. Remaining
3207 funds shall be distributed to the members and transferees of the
3208 dissolved limited liability company.

3209 (11) A member or transferee of a dissolved limited
3210 liability company to which the assets were distributed pursuant
3211 to subsection (9) or subsection (10) is not liable for a claim
3212 against the limited liability company in an amount in excess of
3213 the member's or transferee's pro rata share of the claim or the
3214 amount distributed to the member or transferee, whichever is
3215 less.

3216 (12) A member or transferee of a dissolved limited
3217 liability company to which the assets were distributed pursuant
3218 to subsection (9) is not liable for a claim against the limited
3219 liability company, which claim is known to the limited liability

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3220 company or successor entity and on which a proceeding is not
3221 begun before the expiration of 3 years after the effective date
3222 of dissolution.

3223 (13) The aggregate liability of a person for claims against
3224 the dissolved limited liability company arising under this
3225 section or s. 608.7920 may not exceed the amount distributed to
3226 the person in dissolution.

3227 (14) As used in this section and s. 608.7920, the term
3228 "successor entity" includes a trust, receivership, or other
3229 legal entity governed by the laws of this state to which the
3230 remaining assets and liabilities of a dissolved limited
3231 liability company are transferred and which exists solely for
3232 the purposes of prosecuting and defending suits by or against
3233 the dissolved limited liability company, thereby enabling the
3234 dissolved limited liability company to settle and close the
3235 activities and affairs of the dissolved limited liability
3236 company, to dispose of and convey the property of the dissolved
3237 limited liability company, to discharge the liabilities of the
3238 dissolved limited liability company, and to distribute to the
3239 dissolved limited liability company's members or transferees any
3240 remaining assets, but not for the purpose of continuing the
3241 activities and affairs for which the dissolved limited liability
3242 company was organized.

3243 (15) As used in this section and s. 608.7923, the term
3244 "circuit court in the applicable county" means the county in
3245 this state in which the limited liability company's principal
3246 office is located or was located at the effective date of
3247 dissolution; if it has, and at the effective date of dissolution
3248 had, no principal office in this state, then in the county in

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3249 which the limited liability company has, or at the effective
3250 date of dissolution had, an office in this state; or if none in
3251 this state, then in the county in which the limited liability
3252 company's registered office is or was last located.

3253 (16) As used in this section, the term "known claim" or
3254 "claim" includes unliquidated claims, but does not include a
3255 contingent liability that has not matured so that there is no
3256 immediate right to bring suit or a claim based on an event
3257 occurring after the effective date of dissolution.

3258 608.7922 Other claims against a dissolved limited liability
3259 company.—

3260 (1) A dissolved limited liability company or successor
3261 entity, as defined in s. 608.7921(14), may choose to execute one
3262 of the following procedures to resolve payment of unknown
3263 claims:

3264 (a) The company or successor entity may file notice of its
3265 dissolution with the department on the form prescribed by the
3266 department and request that persons with claims against the
3267 company which are not known to the company or successor entity
3268 present them in accordance with the notice. The notice must:

3269 1. State the name of the company and the date of
3270 dissolution.

3271 2. Describe the information that must be included in a
3272 claim, state that the claim must be in writing, and provide a
3273 mailing address to which the claim may be sent.

3274 3. State that a claim against the company is barred unless
3275 a proceeding to enforce the claim is commenced within 4 years
3276 after the filing of the notice.

3277 (b) The company or successor entity may publish notice of

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3278 its dissolution and request persons having claims against the
3279 company to present them in accordance with the notice. The
3280 notice must:

3281 1. Be published in a newspaper of general circulation in
3282 the county in which the dissolved limited liability company's
3283 principal office is located or, if the principal office is not
3284 located in this state, in the county in which the office of the
3285 company's registered agent is or was last located.

3286 2. Describe the information required to be contained in a
3287 claim, state that the claim must be in writing, and provide a
3288 mailing address to which the claim is to be sent.

3289 3. State that a claim against the company is barred unless
3290 an action to enforce the claim is commenced within 4 years after
3291 publication of the notice.

3292 (2) If a dissolved limited liability company complies with
3293 either paragraph (1) (a) or paragraph (1) (b), unless sooner
3294 barred by another statute limiting actions, the claim of each of
3295 the following claimants is barred unless the claimant commences
3296 an action to enforce the claim against the dissolved limited
3297 liability company within 4 years after the publication date of
3298 the notice:

3299 (a) A claimant that did not receive notice in a record
3300 under s. 608.7921.

3301 (b) A claimant whose claim was timely sent to the dissolved
3302 limited liability company but not acted on.

3303 (c) A claimant whose claim is contingent at, or based on an
3304 event occurring after, the effective date of dissolution.

3305 (3) A claim that is not barred by this section, s.
3306 608.7921, or another statute limiting actions, may be enforced:

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3307 (a) Against a dissolved limited liability company, to the
3308 extent of its undistributed assets.

3309 (b) Except as otherwise provided in s. 608.7923, if assets
3310 of the limited liability company have been distributed after
3311 dissolution, against a member or transferee to the extent of
3312 that person's proportionate share of the claim or of the
3313 company's assets distributed to the member or transferee after
3314 dissolution, whichever is less, but a person's total liability
3315 for all claims under this subsection may not exceed the total
3316 amount of assets distributed to the person after dissolution.

3317 (4) This section does not extend an otherwise applicable
3318 statute of limitations.

3319 608.7923 Court proceedings.—

3320 (1) A dissolved limited liability company that has filed or
3321 published a notice under s. 608.7922(1)(a) or (1)(b) may file an
3322 application with the circuit court in the applicable county, for
3323 a determination of the amount and form of security to be
3324 provided for payment of claims that are contingent, have not
3325 been made known to the company, or are based on an event
3326 occurring after the effective date of dissolution but which,
3327 based on the facts known to the dissolved company, are
3328 reasonably expected to arise after the effective date of
3329 dissolution. Security is not required for a claim that is or is
3330 reasonably anticipated to be barred under s. 608.7922.

3331 (2) Within 10 days after filing an application under
3332 subsection (1), the dissolved limited liability company must
3333 give notice of the proceeding to each claimant holding a
3334 contingent claim known to the company.

3335 (3) In a proceeding under this section, the court may

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3336 appoint a guardian ad litem to represent all claimants whose
3337 identities are unknown. The reasonable fees and expenses of the
3338 guardian, including all reasonable expert witness fees, must be
3339 paid by the dissolved limited liability company.

3340 (4) A dissolved limited liability company that provides
3341 security in the amount and form ordered by the court under
3342 subsection (1) satisfies the company's obligations with respect
3343 to claims that are contingent, have not been made known to the
3344 company, or are based on an event occurring after the effective
3345 date of dissolution, and such claims may not be enforced against
3346 a member or transferee that received assets in liquidation.

3347 608.7924 Administrative dissolution.-

3348 (1) The department may dissolve a limited liability company
3349 administratively if the company does not:

3350 (a) Deliver its annual report to the department by 5:00
3351 p.m. Eastern Time on the third Friday in September;

3352 (b) Pay a fee or penalty due to the department under this
3353 chapter;

3354 (c) Appoint and maintain a registered agent as required by
3355 s. 608.7813; or

3356 (d) Deliver for filing a statement of a change under s.
3357 608.7814 within 30 days after a change has occurred in the name
3358 or address of the agent, unless, within 30 days after the change
3359 occurred, either:

3360 1. The agent filed a statement of change under s. 608.7816;

3361 or

3362 2. The change was made in accordance with s. 608.7814(4).

3363 (2) Administrative dissolution of a limited liability
3364 company for failure to file an annual report shall occur on the

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3365 fourth Friday in September of each year. The department shall
3366 issue a notice in a record of administrative dissolution to the
3367 limited liability company dissolved for failure to file an
3368 annual report. Issuance of the notice may be by electronic
3369 transmission to a limited liability company that has provided
3370 the department with an e-mail address.

3371 (3) If the department determines that one or more grounds
3372 exist for administratively dissolving a limited liability
3373 company under paragraphs (1)(b)-(d), the department shall serve
3374 notice in a record to the limited liability company of its
3375 intent to administratively dissolve the limited liability
3376 company. Issuance of the notice may be by electronic
3377 transmission to a limited liability company that has provided
3378 the department with an e-mail address.

3379 (4) If within 60 days after sending the notice of intent to
3380 administratively dissolve pursuant to subsection (3), a limited
3381 liability company does not correct each ground for dissolution
3382 under paragraphs (1)(b)-(d), or demonstrate to the reasonable
3383 satisfaction of the department that each ground determined by
3384 the department does not exist, the department shall dissolve the
3385 limited liability company administratively and issue to the
3386 company a notice in a record of administrative dissolution that
3387 states the grounds for dissolution. Issuance of the notice of
3388 administrative dissolution may be by electronic transmission to
3389 a limited liability company that has provided the department
3390 with an e-mail address.

3391 (5) A limited liability company that has been
3392 administratively dissolved continues in existence but, subject
3393 to s. 608.7925, may only carry on activities necessary to wind

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3394 up its activities and affairs, liquidate and distribute its
3395 assets, and notify claimants under ss. 608.7921 and 608.7922.

3396 (6) The administrative dissolution of a limited liability
3397 company does not terminate the authority of its agent for
3398 service of process.

3399 608.7925 Reinstatement.—

3400 (1) A limited liability company that is administratively
3401 dissolved under s. 608.7924 may apply to the department for
3402 reinstatement at any time after the effective date of
3403 dissolution. The company must submit a form of application for
3404 reinstatement prescribed and furnished by the department and
3405 provide all of the information required by the department,
3406 together with all fees then owed by the company at the rates
3407 provided by law at the time the company applies for
3408 reinstatement.

3409 (2) If the department determines that an application for
3410 reinstatement contains the information required by subsection
3411 (1) and that the information is correct, and upon payment of all
3412 required fees, the department shall reinstate the limited
3413 liability company.

3414 (3) When reinstatement under this section becomes
3415 effective:

3416 (a) The reinstatement relates back to and takes effect as
3417 of the effective date of the administrative dissolution.

3418 (b) The limited liability company may resume its activities
3419 and affairs as if the administrative dissolution had not
3420 occurred.

3421 (c) The rights of a person arising out of an act or
3422 omission in reliance on the dissolution before the person knew

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3423 or had notice of the reinstatement are not affected.

3424 (4) The name of the dissolved limited liability company is
3425 not available for assumption or use by another limited liability
3426 company until 1 year after the effective date of dissolution
3427 unless the dissolved limited liability company provides the
3428 department with a record executed as required by s. 608.7823
3429 permitting the immediate assumption or use of the name by
3430 another limited liability company.

3431 608.7926 Judicial review of denial of reinstatement.—

3432 (1) (a) If the department denies a limited liability
3433 company's application for reinstatement after administrative
3434 dissolution, the department shall serve the company with a
3435 notice in a record that explains the reason or reasons for the
3436 denial.

3437 (b) Within 30 days after service of a notice of denial of
3438 reinstatement, a limited liability company may appeal from the
3439 denial by petitioning the circuit court to set aside the
3440 dissolution. The petition must be served on the department and
3441 contain a copy of the department's notice of administrative
3442 dissolution, the company's application for reinstatement, and
3443 the department's notice of denial.

3444 (2) The court may order the department to reinstate a
3445 dissolved limited liability company or take other action the
3446 court considers appropriate.

3447 608.7927 Effect of dissolution.—

3448 (1) Dissolution of a limited liability company does not:

3449 (a) Transfer title to the limited liability company's
3450 assets.

3451 (b) Prevent commencement of a proceeding by or against the

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3452 limited liability company in its name.

3453 (c) Abate or suspend a proceeding pending by or against the
3454 limited liability company on the effective date of dissolution.

3455 (d) Terminate the authority of the registered agent of the
3456 limited liability company.

3457 (2) Except as provided in s. 608.7925(4), the name of the
3458 dissolved limited liability company is not available for
3459 assumption or use by another limited liability company until 120
3460 days after the effective date of dissolution, or filing of a
3461 statement of termination, if earlier.

3462 608.7931 Direct action by member.—

3463 (1) Subject to subsection (2), a member may maintain a
3464 direct action against another member, a manager, or the limited
3465 liability company to enforce the member's rights and otherwise
3466 protect the member's interests, including rights and interests
3467 under the operating agreement or this chapter or arising
3468 independently of the membership relationship.

3469 (2) A member maintaining a direct action under this section
3470 must plead and prove an actual or threatened injury that is not
3471 solely the result of an injury suffered or threatened to be
3472 suffered by the limited liability company.

3473 608.7932 Derivative action.—A member may maintain a
3474 derivative action to enforce a right of a limited liability
3475 company if:

3476 (1) The member first makes a demand on the other members in
3477 a member-managed limited liability company, or the managers of a
3478 manager-managed limited liability company, requesting that they
3479 cause the company to take suitable action to enforce the right,
3480 and the managers or other members do not take the action within

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3481 a reasonable time, not to exceed 90 days; or

3482 (2) A demand under subsection (1) would be futile, or
3483 irreparable injury would result to the company by waiting for
3484 the other members or the managers to take action to enforce the
3485 right in accordance with subsection (1).

3486 608.7933 Proper plaintiff.—A derivative action to enforce a
3487 right of a limited liability company may be maintained only by a
3488 person that is a member at the time the action is commenced and:

3489 (1) Was a member when the conduct giving rise to the action
3490 occurred; or

3491 (2) Whose status as a member devolved on the person by
3492 operation of law or pursuant to the terms of the operating
3493 agreement from a person that was a member at the time of the
3494 conduct.

3495 608.7934 Special litigation committee.—

3496 (1) If a limited liability company is named as or made a
3497 party in a derivative action, the company may appoint a special
3498 litigation committee to investigate the claims asserted in the
3499 derivative action and determine whether pursuing the action is
3500 in the best interests of the company. If the company appoints a
3501 special litigation committee, on motion, except for good cause
3502 shown, the court may stay any derivative action for the time
3503 reasonably necessary to permit the committee to make its
3504 investigation. This subsection does not prevent the court from:

3505 (a) Enforcing a person's rights under the company's
3506 operating agreement or this chapter, including the person's
3507 rights to information under s. 608.7853; or

3508 (b) Exercising its equitable or other powers, including
3509 granting extraordinary relief in the form of a temporary

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3510 restraining order or preliminary injunction.

3511 (2) A special litigation committee must be composed of one
3512 or more disinterested and independent individuals, who may be
3513 members.

3514 (3) A special litigation committee may be appointed:

3515 (a) In a member-managed limited liability company, by the
3516 consent of the members who are not named as parties in the
3517 derivative action, who are otherwise disinterested and
3518 independent, and who hold a majority of the current percentage
3519 or other interest in the profits of the company owned by all
3520 members of the company who are not named as parties in the
3521 derivative action and who are otherwise disinterested and
3522 independent;

3523 (b) In a manager-managed limited liability company, by a
3524 majority of the managers not named as parties in the derivative
3525 action and who are otherwise disinterested and independent; or

3526 (c) Upon motion by the limited liability company,
3527 consisting of a panel of one or more disinterested and
3528 independent persons.

3529 (4) After appropriate investigation, a special litigation
3530 committee shall determine what action is in the best interest of
3531 the limited liability company, including continuing, dismissing,
3532 or settling the derivative action, or taking another action that
3533 the special litigation committee deems appropriate.

3534 (5) After making a determination under subsection (4), a
3535 special litigation committee shall file or cause to be filed
3536 with the court a statement of its determination and its report
3537 supporting its determination, and shall serve each party to the
3538 derivative action with a copy of the determination and report.

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3539 Upon motion to enforce the determination of the special
3540 litigation committee, the court shall determine whether the
3541 members of the committee were disinterested and independent and
3542 whether the committee conducted its investigation and made its
3543 recommendation in good faith, independently, and with reasonable
3544 care, with the committee having the burden of proof. If the
3545 court finds that the members of the committee were disinterested
3546 and independent and that the committee acted in good faith,
3547 independently, and with reasonable care, the court may enforce
3548 the determination of the committee. Otherwise, the court shall
3549 dissolve any stay of derivative action entered under subsection
3550 (1) and allow the derivative action to continue under the
3551 control of the plaintiff.

3552 608.7935 Proceeds and expenses.—

3553 (1) Except as otherwise provided in subsection (2):

3554 (a) Proceeds or other benefits of a derivative action under
3555 s. 608.7932, whether by judgment, compromise, or settlement,
3556 belong to the limited liability company and not to the
3557 plaintiff.

3558 (b) If the plaintiff receives any proceeds, the plaintiff
3559 shall remit them immediately to the company.

3560 (2) If a derivative action under s. 608.7932 is successful
3561 in whole or in part, the court may award the plaintiff
3562 reasonable expenses, including reasonable attorney fees and
3563 costs, from the recovery of the limited liability company.

3564 608.7936 Voluntary dismissal or settlement; notice.—

3565 (1) A derivative action on behalf of a limited liability
3566 company may not be voluntarily dismissed or settled without the
3567 court's approval.

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3568 (2) If the court determines that a proposed voluntary
3569 dismissal or settlement will substantially affect the interest
3570 of the limited liability company's members or a class, series,
3571 or voting group of members, the court shall direct that notice
3572 be given to the members affected. The court may determine which
3573 party or parties to the derivative action shall bear the expense
3574 of giving the notice.

3575 608.901 Governing law.—

3576 (1) The law of the state or other jurisdiction under which
3577 a foreign limited liability company exists governs:

3578 (a) The organization and internal affairs of the company.

3579 (b) The liability of a member as member and a manager as
3580 manager for the debts, obligations, or other liabilities of the
3581 company.

3582 (2) A foreign limited liability company may not be denied a
3583 certificate of authority by reason of a difference between its
3584 jurisdiction of formation and the laws of this state.

3585 (3) A certificate of authority does not authorize a foreign
3586 limited liability company to engage in any business or exercise
3587 any power that a limited liability company may not engage in or
3588 exercise in this state.

3589 608.902 Application for certificate of authority.—

3590 (1) A foreign limited liability company may not transact
3591 business in this state until it obtains a certificate of
3592 authority from the department. A foreign limited liability
3593 company may apply for a certificate of authority to transact
3594 business in this state by delivering an application to the
3595 department for filing. Such application must be made on forms
3596 prescribed by the department. The application must contain:

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3597 (a) The name of the company and, if the name does not
3598 comply with s. 608.7812, an alternate name adopted pursuant to
3599 s. 608.905(1).

3600 (b) The name of the company's jurisdiction of formation.

3601 (c) The principal office and mailing addresses of the
3602 company.

3603 (d) The name and street address in this state of, and
3604 written acceptance by, the company's initial registered agent in
3605 this state.

3606 (e) The name, title or capacity, and address of at least
3607 one person who has the authority to manage the company.

3608 (f) Additional information as may be necessary or
3609 appropriate in order to enable the department to determine
3610 whether the company is entitled to file an application for a
3611 certificate of authority to transact business in this state and
3612 to determine and assess the fees as prescribed in this chapter.

3613 (2) A foreign limited liability company shall deliver with
3614 a completed application under subsection (1) a certificate of
3615 existence or a record of similar import signed by the secretary
3616 of state or other official having custody of the foreign limited
3617 liability company's publicly filed records in its jurisdiction
3618 of formation, dated not more than 90 days before the delivery of
3619 the application to the department.

3620 (3) For purposes of complying with the requirements of this
3621 chapter, the department may require each individual series or
3622 cell of a foreign series limited liability company that
3623 transacts business in this state to make a separate application
3624 for certificate of authority, and to make such other filings as
3625 may be required for purposes of complying with the requirements

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3626 of this chapter as if each such series or cell were a separate
3627 foreign limited liability company.

3628 608.903 Activities that do not constitute transacting
3629 business.—

3630 (1) The following activities, among others, do not
3631 constitute transacting business within the meaning of s.

3632 608.902(1):

3633 (a) Maintaining, defending, or settling any proceeding.

3634 (b) Holding meetings of the managers or members or carrying
3635 on other activities concerning internal company affairs.

3636 (c) Maintaining bank accounts.

3637 (d) Maintaining managers or agencies for the transfer,
3638 exchange, and registration of the foreign limited liability
3639 company's own securities or maintaining trustees or depositaries
3640 with respect to those securities.

3641 (e) Selling through independent contractors.

3642 (f) Soliciting or obtaining orders, whether by mail or
3643 through employees, agents, or otherwise, if the orders require
3644 acceptance outside this state before they become contracts.

3645 (g) Creating or acquiring indebtedness, mortgages, and
3646 security interests in real or personal property.

3647 (h) Securing or collecting debts or enforcing mortgages and
3648 security interests in property securing the debts.

3649 (i) Transacting business in interstate commerce.

3650 (j) Conducting an isolated transaction that is completed
3651 within 30 days and that is not one in the course of repeated
3652 transactions of a like nature.

3653 (k) Owning and controlling a subsidiary corporation
3654 incorporated, or limited liability company formed, in or

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3655 transacting business within this state or voting the stock of a
3656 corporation that it has lawfully acquired.

3657 (1) Owning a limited partner interest in a limited
3658 partnership that is transacting business within this state,
3659 unless the limited partner manages or controls the partnership
3660 or exercises the powers and duties of a general partner.

3661 (m) Owning, without more, real or personal property.

3662 (2) The list of activities in subsection (1) is not an
3663 exhaustive list of activities that constitute transacting
3664 business within the meaning of s. 608.902(1).

3665 (3) The ownership in this state of income-producing real
3666 property or tangible personal property, other than property
3667 excluded under subsection (1), constitutes transacting business
3668 in this state for purposes of s. 608.902(1).

3669 (4) This section does not apply when determining the
3670 contacts or activities that may subject a foreign limited
3671 liability company to service of process, taxation, or regulation
3672 under the law of this state other than this chapter.

3673 608.904 Application for certificate of authority.—

3674 (1) Unless the department determines that an application
3675 for a certificate of authority of a foreign limited liability
3676 company to transact business in this state does not comply with
3677 the filing requirements of this chapter, the department shall,
3678 upon payment of all filing fees, authorize the foreign limited
3679 liability company to transact business in this state and file
3680 the application for a certificate of authority.

3681 (2) The filing by the department of an application for a
3682 certificate of authority authorizes the foreign limited
3683 liability company to which it is issued to transact business in

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3684 this state subject, however, to the right of the department to
3685 suspend or revoke the certificate of authority as provided in
3686 this chapter.

3687 608.905 Noncomplying name of foreign limited liability
3688 company.—

3689 (1) A foreign limited liability company whose name is
3690 unavailable under or does not otherwise comply with s. 608.7812
3691 may use an alternate name that complies with s. 608.7812 to
3692 transact business in this state. An alternate name adopted for
3693 use in this state shall be cross-referenced to the actual name
3694 of the foreign limited liability company in the records of the
3695 department. If the actual name of the foreign limited liability
3696 company subsequently becomes available in this state or the
3697 company chooses to change its alternate name, a copy of the
3698 record approving the change by its members, managers, or other
3699 persons having the authority to do so, and executed as required
3700 by s. 608.7823, shall be delivered to the department for filing.

3701 (2) A foreign limited liability company that adopts an
3702 alternate name under subsection (1) and obtains a certificate of
3703 authority with the alternate name need not comply with s.
3704 865.09.

3705 (3) After obtaining a certificate of authority with an
3706 alternate name, a foreign limited liability company shall
3707 transact business in this state under the alternate name unless
3708 the company is authorized under s. 865.09 to transact business
3709 in this state under another name.

3710 (4) If a foreign limited liability company authorized to
3711 transact business in this state changes its name to one that
3712 does not comply with s. 608.7812, it may not thereafter transact

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3713 business in this state until it complies with subsection (1) and
3714 obtains an amended certificate of authority.

3715 608.906 Amendment to certificate of authority.-

3716 (1) A foreign limited liability company authorized to
3717 transact business in this state shall deliver for filing an
3718 amendment to its certificate of authority to reflect the change
3719 of:

3720 (a) Its name on the records of the department;

3721 (b) Its jurisdiction of formation;

3722 (c) The principal office and mailing addresses of the
3723 company unless the change was made in a timely filed annual
3724 report;

3725 (d) The name and street address in this state of the
3726 company's registered agent in this state, unless the change was
3727 timely made in accordance with s. 608.7814 or s. 608.7816; or

3728 (e) A person identified in accordance with s.
3729 608.902(1)(e), or a change in the title or capacity or address
3730 of that person.

3731 (2) The application must be made within 30 days after the
3732 occurrence of a change mentioned in subsection (1), must be
3733 signed by an authorized representative of the foreign limited
3734 liability company, and must include:

3735 (a) The name of the foreign limited liability company as it
3736 appears on the records of the department.

3737 (b) Its jurisdiction of formation.

3738 (c) The date the foreign limited liability company was
3739 authorized to transact business in this state.

3740 (d) If the name of the foreign limited liability company
3741 has been changed, the name relinquished and its new name.

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3742 (e) If the amendment changes the jurisdiction of formation
3743 of the foreign limited liability company, a statement of that
3744 change.

3745 (3) Subject to subsection (4), a foreign limited liability
3746 company authorized to do business in this state may make
3747 application to the department to obtain an amended certificate
3748 of authority to add, remove, or change the name, title,
3749 capacity, or address of a person who has the authority to manage
3750 the foreign limited liability company.

3751 (4) The requirements of s. 608.902(2) for obtaining an
3752 original certificate of authority apply to obtaining an amended
3753 certificate under this section, unless the secretary of state or
3754 other official having custody of the foreign limited liability
3755 company's publicly filed records in its jurisdiction of
3756 formation did not require an amendment to effectuate the change
3757 on its records.

3758 608.907 Revocation of certificate of authority.-

3759 (1) A certificate of authority of a foreign limited
3760 liability company to transact business in this state may be
3761 revoked by the department if:

3762 (a) The company did not deliver its annual report to the
3763 department by 5:00 p.m. Eastern Time on the third Friday in
3764 September;

3765 (b) The company did not pay a fee or penalty due to the
3766 department under this chapter;

3767 (c) The company did not appoint and maintain an agent for
3768 service of process as required by s. 608.7813;

3769 (d) The company did not deliver for filing a statement of a
3770 change under s. 608.7814 within 30 days after a change has

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3771 occurred in the name or address of the agent, unless, within 30
3772 days after the change occurred, either:

3773 1. The agent filed a statement of change under s. 608.7816,
3774 or

3775 2. The change was made in accordance with s. 608.7814(4) or
3776 s. 608.906(1) (d);

3777 (e) The company failed to amend its certificate of
3778 authority to reflect a change in its name on the records of the
3779 department or its jurisdiction of formation;

3780 (f) The department receives a duly authenticated
3781 certificate from the official having custody of records in the
3782 company's jurisdiction of formation stating that it has been
3783 dissolved or is no longer active on its records;

3784 (g) The company's period of duration has expired;

3785 (h) A member, manager, or agent of the company signed a
3786 document that the member, manager, or agent knew was false in a
3787 material respect with the intent that the document be delivered
3788 to the department for filing; or

3789 (i) The company has failed to answer truthfully and fully,
3790 within the time prescribed in s. 608.978, interrogatories
3791 propounded by the department.

3792 (2) Revocation of a foreign limited liability company's
3793 certificate of authority for failure to file an annual report
3794 shall occur on the fourth Friday in September of each year. The
3795 department shall issue a notice in a record of the revocation to
3796 the revoked foreign limited liability company. Issuance of the
3797 notice may be by electronic transmission to a foreign limited
3798 liability company that has provided the department with an e-
3799 mail address.

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3800 (3) If the department determines that one or more grounds
3801 exist under paragraphs (1)(b)-(i) for revoking a foreign limited
3802 liability company's certificate of authority, the department
3803 shall issue a notice in a record to the foreign limited
3804 liability company of the department's intent to revoke the
3805 certificate of authority. Issuance of the notice may be by
3806 electronic transmission to a foreign limited liability company
3807 that has provided the department with an e-mail address.

3808 (4) If within 60 days after the department sent the notice
3809 of intent to revoke in accordance with subsection (3), the
3810 foreign limited liability company does not correct each ground
3811 for revocation or demonstrate to the reasonable satisfaction of
3812 the department that each ground determined by the department
3813 does not exist, the department shall revoke the foreign limited
3814 liability company's authority to transact business in this state
3815 and issue a notice in a record of revocation that states the
3816 grounds for revocation. Issuance of the notice may be by
3817 electronic transmission to a foreign limited liability company
3818 that has provided the department with an e-mail address.

3819 608.908 Cancellation of certificate of authority.—To cancel
3820 its certificate of authority to transact business in this state,
3821 a foreign limited liability company must deliver to the
3822 department for filing a notice of withdrawal of certificate of
3823 authority. The certificate is canceled when the notice becomes
3824 effective under s. 608.7827. The notice of withdrawal of
3825 certificate of authority must be signed by an authorized
3826 representative and state the following:

3827 (1) The name of the company as it appears on the records of
3828 the department.

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3829 (2) The name of the company's jurisdiction of formation.

3830 (3) The date the company was authorized to transact
3831 business in this state.

3832 (4) The company is withdrawing its certificate of authority
3833 in this state.

3834 608.909 Effect of failure to have certificate of
3835 authority.—

3836 (1) A foreign limited liability company transacting
3837 business in this state or its successors may not maintain an
3838 action or proceeding in this state unless it has a certificate
3839 of authority to transact business in this state.

3840 (2) The successor to a foreign limited liability company
3841 that transacted business in this state without a certificate of
3842 authority and the assignee of a cause of action arising out of
3843 that business may not maintain a proceeding based on that cause
3844 of action in a court in this state until the foreign limited
3845 liability company or its successor obtains a certificate of
3846 authority.

3847 (3) A court may stay a proceeding commenced by a foreign
3848 limited liability company or its successor or assignee until it
3849 determines whether the foreign limited liability company or its
3850 successor requires a certificate of authority. If it so
3851 determines, the court may further stay the proceeding until the
3852 foreign limited liability company or its successor obtains the
3853 certificate.

3854 (4) The failure of a foreign limited liability company to
3855 have a certificate of authority to transact business in this
3856 state does not impair the validity of a contract or act of the
3857 company or prevent the foreign limited liability company from

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3858 defending an action or proceeding in this state.

3859 (5) A member or manager of a foreign limited liability
3860 company is not liable for the debts, obligations, or other
3861 liabilities of the foreign limited liability company solely
3862 because the foreign limited liability company transacted
3863 business in this state without a certificate of authority.

3864 (6) If a foreign limited liability company transacts
3865 business in this state without a certificate of authority or
3866 Cancels its certificate of authority, it appoints the department
3867 as its agent for service of process for rights of action arising
3868 out of the transaction of business in this state.

3869 (7) A foreign limited liability company that transacts
3870 business in this state without authority to do so is liable to
3871 this state for the years or parts thereof during which it
3872 transacted business in this state without authority in an amount
3873 equal to all fees or penalties which would have been imposed by
3874 this chapter upon the foreign limited liability company had it
3875 duly applied for and received authority to transact business in
3876 this state as required by this chapter. In addition to the
3877 payments thus prescribed, the foreign limited liability company
3878 is liable for a civil penalty of at least \$500 but not more than
3879 \$1,000 for each year or part thereof during which it transacts
3880 business in this state without a certificate of authority. The
3881 department may collect all penalties due under this subsection.

3882 608.910 Reinstatement after revocation of certificate of
3883 authority.—

3884 (1) A foreign limited liability company whose certificate
3885 of authority has been revoked may apply to the department for
3886 reinstatement at any time after the effective date of the

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3887 revocation. The foreign limited liability company applying for
3888 reinstatement must provide information in a form prescribed and
3889 furnished by the department, and pay all fees then owed by the
3890 foreign limited liability company at a rate provided by law at
3891 the time the company applies for reinstatement.

3892 (2) If the department determines that an application for
3893 reinstatement contains the information required by subsection
3894 (1) and that the information is correct, and upon payment of all
3895 required fees, the department shall reinstate the foreign
3896 limited liability company's certificate of authority.

3897 (3) When a reinstatement becomes effective, it relates back
3898 to and takes effect as of the effective date of the revocation
3899 of authority and the foreign limited liability company may
3900 resume its activities in this state as if the revocation of
3901 authority had not occurred.

3902 (4) The name of the foreign limited liability company whose
3903 certificate of authority has been revoked is not available for
3904 assumption or use by another business entity until 1 year after
3905 the effective date of revocation of authority unless the limited
3906 liability company provides the department with a record executed
3907 as required by s. 608.7823 permitting the immediate assumption
3908 or use of its name by another limited liability company.

3909 (5) If the name of the foreign limited liability company
3910 applying for reinstatement has been lawfully assumed in this
3911 state by another business entity, the department shall require
3912 the foreign limited liability company to comply with s. 608.7812
3913 before accepting its application for reinstatement.

3914 608.911 Action by Department of Legal Affairs.—The
3915 Department of Legal Affairs may maintain an action to enjoin a

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3916 foreign limited liability company from transacting business in
3917 this state in violation of this chapter.

3918 608.916 Relationship of ss. 608.961-608.972 to other laws.-

3919 (1) Sections 608.961-608.972 do not authorize an act
3920 prohibited by, and do not affect the application or requirements
3921 of, law other than ss. 608.961-608.972.

3922 (2) A transaction effected under ss. 608.961-608.972 may
3923 not create or impair a right or obligation on the part of a
3924 person under a provision of the law of this state, other than
3925 ss. 608.922-608.972 relating to a change in control, takeover,
3926 business combination, control-share acquisition, or similar
3927 transaction involving a merging, acquiring, or converting, a
3928 domestic business corporation unless:

3929 (a) If the corporation does not survive the transaction,
3930 the transaction satisfies the requirements of the provision; or

3931 (b) If the corporation survives the transaction, the
3932 approval of the plan is by a vote of the shareholders or
3933 directors which would be sufficient to create or impair the
3934 right or obligation directly under the provision.

3935 608.917 Charitable and donative provisions.-

3936 (1) Property held for a charitable purpose under the law of
3937 this state by a domestic or foreign entity immediately before a
3938 transaction under this chapter becomes effective may not, as a
3939 result of the transaction, be diverted from the objects for
3940 which it was donated, granted, devised, or otherwise transferred
3941 unless, to the extent required by or pursuant to the law of this
3942 state concerning cy pres or other law dealing with nondiversion
3943 of charitable assets, the entity obtains an appropriate order of
3944 the appropriate court specifying the disposition of the

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3945 property.

3946 (2) A bequest, devise, gift, grant, or promise contained in
3947 a will or other instrument of donation, subscription, or
3948 conveyance that is made to a merging entity that is not the
3949 surviving entity and that takes effect or remains payable after
3950 the merger inures to the surviving entity. A trust obligation
3951 that would govern property if transferred to the nonsurviving
3952 entity applies to property that is transferred to the surviving
3953 entity under this section.

3954 608.918 Status of filings.—A filing under ss. 608.961-
3955 608.972 signed by a domestic entity becomes part of the public
3956 organic record of the entity if the entity's organic law
3957 provides that similar filings under that law become part of the
3958 public organic record of the entity.

3959 608.919 Nonexclusivity.—The fact that a transaction under
3960 ss. 608.961-608.972 produces a certain result does not preclude
3961 the same result from being accomplished in another manner
3962 permitted by a law other than ss. 608.961-608.972.

3963 608.92 Reference to external facts.—A plan may refer to
3964 facts ascertainable outside the plan if the manner in which the
3965 facts will operate upon the plan is specified in the plan. The
3966 facts may include the occurrence of an event or a determination
3967 or action by a person, whether or not the event, determination,
3968 or action is within the control of a party to the transaction.

3969 608.922 Appraisal rights.—

3970 (1) A member of a limited liability company is entitled to
3971 appraisal rights and to obtain payment of the fair value of that
3972 member's membership interest in the following events:

3973 (a) Consummation of a merger of a limited liability company

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3974 pursuant to this chapter where the member possessed the right to
3975 vote upon the merger.

3976 (b) Consummation of a conversion of such limited liability
3977 company pursuant to this chapter where the member possessed the
3978 right to vote upon the conversion.

3979 (c) Consummation of an interest exchange pursuant to this
3980 chapter where the member possessed the right to vote upon the
3981 interest exchange, except that appraisal rights are not
3982 available to an interestholder of the limited liability company
3983 whose interest in the limited liability company is not subject
3984 to exchange in the interest exchange.

3985 (d) Consummation of a sale of substantially all of the
3986 assets of a limited liability company where the member possessed
3987 the right to vote upon the sale, unless the sale is pursuant to
3988 court order or the sale is for cash pursuant to a plan under
3989 which all or substantially all of the net proceeds of the sale
3990 will be distributed to the interestholders within 1 year after
3991 the date of sale.

3992 (e) An amendment to the organic rules of the entity which
3993 reduces the interest of the holder to a fraction of an interest
3994 if the limited liability company will be obligated to or will
3995 have the right to repurchase the fractional interest so created.

3996 (f) An amendment to the organic rules of an entity, the
3997 effect of which is to alter or abolish voting or other rights
3998 with respect to the interest in a manner that is adverse to the
3999 interest of the member, except as the right may be affected by
4000 the voting or other rights of new interests then being
4001 authorized of a new class or series of interests.

4002 (g) An amendment to the organic rules of an entity the

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4003 effect of which is to adversely affect the interest of the
4004 member by altering or abolishing appraisal rights under this
4005 section.

4006 (h) To the extent otherwise expressly authorized by the
4007 organic rules of the limited liability company.

4008 (2) A limited liability company may modify, restrict, or
4009 eliminate the appraisal rights provided in this section in its
4010 organic rules so long as the provision modifying, restricting,
4011 or eliminating the appraisal rights is authorized by each member
4012 whose appraisal rights are being modified, restricted, or
4013 eliminated. Organic rules containing an express waiver of
4014 appraisal rights that are approved by a member constitute a
4015 waiver of appraisal rights with respect to the member to the
4016 extent provided in the organic rules.

4017 (3) To the extent that appraisal rights are available, ss.
4018 608.961-608.972 govern the procedures with respect to such
4019 appraisal rights as between the limited liability company and
4020 its members.

4021 (4) Notwithstanding subsection (1), the availability of
4022 appraisal rights is limited in accordance with the following
4023 provisions:

4024 (a) Appraisal rights are not available for holders of
4025 membership interests that are:

4026 1. A covered security under section 18(b)(1)(A) or (B) of
4027 the Securities Act of 1933, as amended;

4028 2. Traded in an organized market and part of a class or
4029 series that has at least 2,000 members or other holders and a
4030 market value of at least \$20 million, exclusive of the value of
4031 the class or series of membership interests held by the limited

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4032 liability company's subsidiaries, senior executives, managers,
4033 and beneficial members owning more than 10 percent of the class
4034 or series of membership interests; or

4035 3. Issued by an open end management investment company
4036 registered with the Securities and Exchange Commission under the
4037 Investment Company Act of 1940 and subject to being redeemed at
4038 the option of the holder at net asset value.

4039 (b) The applicability of paragraph (a) shall be determined
4040 as of the date fixed to determine the members entitled to
4041 receive notice of, and to vote upon, the appraisal event, or the
4042 day before the effective date of the appraisal event if there is
4043 no meeting of the members to vote upon the appraisal event.

4044 (c) This subsection does not apply to, and appraisal rights
4045 shall be available pursuant to subsection (1) for, members who
4046 are required by the appraisal event to accept for their
4047 membership interests anything other than cash or a proprietary
4048 interest in an entity that satisfies the standards provided in
4049 paragraph (a) at the time the appraisal event becomes effective.

4050 (d) This subsection does not apply to, and appraisal rights
4051 shall be available pursuant to subsection (1) for, the holder of
4052 a membership interest if:

4053 1. The member or members' interests in the limited
4054 liability company or the limited liability company's assets are
4055 being acquired or converted, whether by merger, conversion, or
4056 otherwise, pursuant to the appraisal event by a person, or by an
4057 affiliate of a person, who:

4058 a. Is, or at any time in the 1-year period immediately
4059 before approval of the appraisal event was, the beneficial owner
4060 of 20 percent or more of those interests in the limited

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4061 liability company entitled to vote on the appraisal event,
4062 excluding interests acquired pursuant to an offer for all
4063 interests having voting rights if the offer was made within 1
4064 year before the appraisal event for consideration of the same
4065 kind and of a value equal to or less than that paid in
4066 connection with the appraisal event; or

4067 b. Directly or indirectly has, or at any time in the 1-year
4068 period immediately before approval of the appraisal event had,
4069 the power, contractually or otherwise, to cause the appointment
4070 or election of any senior executives or managers of the limited
4071 liability company.

4072 2. Any of the members' interests in the limited liability
4073 company or the limited liability company's assets are being
4074 acquired or converted, whether by merger, conversion, or
4075 otherwise, pursuant to the appraisal event by a person, or by an
4076 affiliate of a person, who is, or at any time in the 1-year
4077 period immediately before approval of the appraisal event was, a
4078 senior executive of the limited liability company or a senior
4079 executive of an affiliate of the limited liability company, and
4080 that senior executive will receive, as a result of the limited
4081 liability company action, a financial benefit not generally
4082 available to members, other than:

4083 a. Employment, consulting, retirement, or similar benefits
4084 established separately and not as part of or in contemplation of
4085 the appraisal event;

4086 b. Employment, consulting, retirement, or similar benefits
4087 established in contemplation of, or as part of, the appraisal
4088 event that are not more favorable than those existing before the
4089 appraisal event or, if more favorable, that have been approved

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4090 by the limited liability company; or

4091 c. In the case of a manager of the limited liability
4092 company who will, during or as the result of the appraisal
4093 event, become a manager, general partner, or director of the
4094 surviving or converted entity or one of its affiliates, those
4095 rights and benefits as a manager, general partner, or director
4096 that are provided on the same basis as those afforded by the
4097 surviving or converted entity generally to other managers,
4098 general partners, or directors of the surviving or converted
4099 entity or its affiliate.

4100 (e) For the purposes of sub-subparagraph (d)1.a. of this
4101 subsection only, the term "beneficial owner" means a person who,
4102 directly or indirectly, through a contract, arrangement, or
4103 understanding, other than a revocable proxy, has or shares the
4104 right to vote, or to direct the voting of, an interest in a
4105 limited liability company with respect to approval of the
4106 appraisal event, if a member of a national securities exchange
4107 is not deemed to be a beneficial owner of an interest in a
4108 limited liability company held directly or indirectly by it on
4109 behalf of another person solely because the member is the
4110 recordholder of interests in the limited liability company if
4111 the member is precluded by the rules of the exchange from voting
4112 without instruction on contested matters or matters that may
4113 affect substantially the rights or privileges of the holders of
4114 the interests in the limited liability company to be voted. When
4115 two or more persons agree to act together for the purpose of
4116 voting such interests, each member of the group formed thereby
4117 is deemed to have acquired beneficial ownership, as of the date
4118 of the agreement, of all voting interests in the limited

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4119 liability company beneficially owned by a member or members of
4120 the group.

4121 608.925 Merger authorized.—

4122 (1) By complying with ss. 608.925-608.930:

4123 (a) One or more domestic limited liability companies may
4124 merge with one or more domestic or foreign entities into a
4125 domestic or foreign surviving entity.

4126 (b) Two or more foreign entities may merge into a domestic
4127 limited liability company.

4128 (2) By complying with the provisions of ss. 608.925-608.930
4129 which are applicable to foreign entities, a foreign entity may
4130 be a party to a merger under those provisions or may be the
4131 surviving entity in the merger if the merger is authorized by
4132 the law of the foreign entity's jurisdiction of formation.

4133 (3) In the case of a merger involving a limited liability
4134 company that is a not-for-profit company, the surviving limited
4135 liability company or other business entity must also be a not-
4136 for-profit entity.

4137 608.926 Plan of merger.—

4138 (1) A domestic limited liability company may become a party
4139 to a merger under ss. 608.926-608.930 by approving a plan of
4140 merger. The plan must be in a record and contain:

4141 (a) As to each merging entity, its name, jurisdiction of
4142 formation, and type of entity.

4143 (b) The surviving entity in the merger.

4144 (c) The manner and basis of converting the interests and
4145 the rights to acquire interests in each party to the merger into
4146 interests, securities, obligations, money, other property,
4147 rights to acquire interests or securities, or any combination

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4148 thereof.

4149 (d) If the surviving entity exists before the merger, any
4150 proposed amendments to or restatements of its public organic
4151 record, or any proposed amendments to or restatements of its
4152 private organic rules, that are, or are proposed to be, in a
4153 record, and all such amendments or restatements are effective
4154 upon the effective date of the merger.

4155 (e) If the surviving entity is to be created in the merger,
4156 its proposed public organic record, and the full text of its
4157 private organic rules that are proposed to be in a record, if
4158 any.

4159 (f) The other terms and conditions of the merger.

4160 (g) Another provision required by the law of a merging
4161 entity's jurisdiction of formation or the organic rules of a
4162 merging entity.

4163 (2) In addition to the requirements of subsection (1), a
4164 plan of merger may contain another provision not prohibited by
4165 law.

4166 608.927 Approval of merger.—

4167 (1) A plan of merger is not effective unless it has been
4168 approved:

4169 (a) With respect to a domestic merging limited liability
4170 company, by a majority-in-interest of the members.

4171 (b) In a record, by each member of a merging limited
4172 liability company that will have interestholder liability for
4173 debts, obligations, and other liabilities that arise after the
4174 merger becomes effective, unless:

4175 1. The organic rules of the company in a record provide for
4176 the approval of a merger in which some or all of its members

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4177 become subject to interestholder liability by the vote or
4178 consent of fewer than all of the members.

4179 2. The member consented in a record to or voted for that
4180 provision of the organic rules or became a member after the
4181 adoption of that provision.

4182 (2) A merger involving a domestic merging entity that is
4183 not a limited liability company is not effective unless the
4184 merger is approved by that entity in accordance with its organic
4185 law.

4186 (3) A merger involving a foreign merging entity is not
4187 effective unless the merger is approved by the foreign entity in
4188 accordance with the law of the foreign entity's jurisdiction of
4189 formation.

4190 (4) All members of each domestic limited liability company
4191 that is a party to the merger who have a right to vote upon the
4192 merger must be given written notice of a meeting regarding the
4193 approval of a plan of merger as provided in subsection (1), at
4194 least 10 days but not more than 60 days before the date of the
4195 meeting at which the plan of merger is submitted for approval by
4196 the members of the limited liability company. The notification
4197 required by this subsection may be waived in writing by the
4198 person or persons entitled to the notification.

4199 (5) The notification required by subsection (4) must be in
4200 writing and include:

4201 (a) The date, time, and place of the meeting where the plan
4202 of merger is to be submitted for approval by the members of the
4203 limited liability company.

4204 (b) A copy of the plan of merger.

4205 (c) The statement or statements required by ss. 608.926,

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4206 608.961, and 608.962 regarding the availability of appraisal
4207 rights, if any, to members of the limited liability company.

4208 (d) The date on which the notification was mailed or
4209 delivered to the members.

4210 (e) Other information concerning the plan of merger.

4211 (6) The notification required by subsection (4) is deemed
4212 to be given at the earliest date of:

4213 (a) The date the notification is received;

4214 (b) Five days after the date the notification is deposited
4215 in the United States mail addressed to the member at the
4216 member's address as it appears in the books and records of the
4217 limited liability company, with prepaid postage affixed;

4218 (c) The date shown on the return receipt, if sent by
4219 registered or certified mail, return receipt requested, and the
4220 receipt is signed by or on behalf of the addressee; or

4221 (d) The date the notification is given in accordance with
4222 the organic rules of the limited liability company.

4223 608.928 Amendment or abandonment of plan of merger.—

4224 (1) A plan of merger may be amended only with the consent
4225 of each party to the plan, except as otherwise provided in the
4226 plan or in the organic rules of the entity.

4227 (2) A merging limited liability company may approve an
4228 amendment of a plan of merger:

4229 (a) In the same manner that the plan was approved, if the
4230 plan does not provide for the manner in which it may be amended;
4231 or

4232 (b) By the managers or members in the manner provided in
4233 the plan, but a member who was entitled to vote on or consent to
4234 approval of the merger is entitled to vote on or consent to an

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4235 amendment of the plan that will change:

4236 1. The amount or kind of interests, securities,
4237 obligations, money, other property, rights to acquire interests
4238 or securities, or any combination of the foregoing, to be
4239 received by the interestholders of a party to the plan;

4240 2. The public organic record, if any, or private organic
4241 rules of the surviving entity which will be in effect
4242 immediately after the merger becomes effective, except for
4243 changes that do not require approval of the interestholders of
4244 the surviving entity under its organic law or organic rules; or

4245 3. Other terms or conditions of the plan, if the change
4246 would adversely affect the member in a material respect.

4247 (3) After a plan of merger has been approved and before the
4248 articles of merger become effective, the plan may be abandoned
4249 as provided in the plan. Unless prohibited by the plan, a
4250 domestic merging limited liability company may abandon the plan
4251 in the same manner that the plan was approved.

4252 (4) If a plan of merger is abandoned after articles of
4253 merger have been delivered to the department for filing and
4254 before the articles of merger have become effective, a statement
4255 of abandonment, signed by a party to the plan, must be delivered
4256 to the department for filing before the articles of merger
4257 become effective. The statement of abandonment takes effect on
4258 filing and the merger is abandoned and does not become
4259 effective. The statement of abandonment must contain:

4260 (a) The name of each party to the plan of merger;

4261 (b) The date on which the articles of merger were delivered
4262 to the department for filing; and

4263 (c) A statement that the merger has been abandoned in

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4264 accordance with this section.

4265 608.929 Articles of merger.-

4266 (1) After a plan of merger is approved, articles of merger
4267 must be signed by each merging entity and delivered to the
4268 department for filing.

4269 (2) The articles of merger must contain:

4270 (a) The name, jurisdiction of formation, and type of entity
4271 of each merging entity that is not the surviving entity.

4272 (b) The name, jurisdiction of formation, and type of entity
4273 of the surviving entity.

4274 (c) A statement that the merger was approved by each
4275 domestic merging entity that is a limited liability company, if
4276 any, in accordance with ss. 608.925-608.930, by each other
4277 merging entity, if any, in accordance with the law of its
4278 jurisdiction of formation, and by each member of such limited
4279 liability company who, as a result of the merger, will have
4280 interestholder liability under s. 608.927(1)(b) and whose
4281 approval is required.

4282 (d) If the surviving entity exists before the merger and is
4283 a domestic filing entity, an amendment to its public organic
4284 record approved as part of the plan of merger.

4285 (e) If the surviving entity is created by the merger and is
4286 a domestic filing entity, its public organic record, as an
4287 attachment.

4288 (f) If the surviving entity is created by the merger and is
4289 a domestic limited liability partnership, its statement of
4290 qualification, as an attachment.

4291 (g) If the surviving entity is a foreign entity that does
4292 not have a certificate of authority to transact business in this

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4293 state, a mailing address to which the department may send any
4294 process served on the department pursuant to s. 608.7817 and
4295 chapter 48.

4296 (h) A statement that the surviving entity has agreed to pay
4297 to members of a limited liability company with appraisal rights
4298 the amount to which such members are entitled under s. 608.922
4299 and ss. 608.961-608.972.

4300 (i) The effective date of the merger, if the effective date
4301 of the merger is not the same as the date of filing of the
4302 articles of merger, subject to the limitations contained in s.
4303 608.7827.

4304 (3) In addition to the requirements of subsection (2),
4305 articles of merger may contain another provision not prohibited
4306 by law.

4307 (4) A merger becomes effective when the articles of merger
4308 become effective, unless the articles of merger specify an
4309 effective time or a delayed effective date that complies with s.
4310 608.7827.

4311 (5) A copy of the articles of merger, certified by the
4312 department, may be filed in the official records of a county in
4313 this state in which a party to the merger holds an interest in
4314 real property.

4315 (6) A limited liability company is not required to deliver
4316 articles of merger for filing pursuant to subsection (1) if the
4317 limited liability company is named as a merging entity or
4318 surviving entity in articles of merger or a certificate of
4319 merger filed for the same merger in accordance with s.
4320 607.1109(1), s. 617.1108, s. 620.2108(3), or s. 620.8918(1) and
4321 (2), and if the articles of merger substantially comply with the

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4322 requirements of this section. In that case, the other articles
4323 of merger or certificate of merger may also be used for purposes
4324 of subsection (2).

4325 608.930 Effect of merger.

4326 (1) When a merger becomes effective:

4327 (a) The surviving entity continues in existence.

4328 (b) Each merging entity that is not the surviving entity
4329 ceases to exist.

4330 (c) All property of each merging entity vests in the
4331 surviving entity without transfer, reversion, or impairment.

4332 (d) All debts, obligations, and other liabilities of each
4333 merging entity are debts, obligations, and other liabilities of
4334 the surviving entity.

4335 (e) Except as otherwise provided by law or the plan of
4336 merger, all the rights, privileges, immunities, powers, and
4337 purposes of each merging entity vest in the surviving entity.

4338 (f) If the surviving entity exists before the merger:

4339 1. All its property continues to be vested in it without
4340 transfer, reversion, or impairment.

4341 2. It remains subject to all of its debts, obligations, and
4342 other liabilities.

4343 3. All of its rights, privileges, immunities, powers, and
4344 purposes continue to be vested in it.

4345 (g) The name of the surviving entity may be substituted for
4346 the name of a merging entity that is a party to a pending action
4347 or proceeding;

4348 (h) If the surviving entity exists before the merger:

4349 1. Its public organic record, if any, is amended as
4350 provided in the articles of merger.

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4351 2. Its private organic rules that are to be in a record, if
4352 any, are amended to the extent provided in the plan of merger.

4353 (i) If the surviving entity is created by the merger:

4354 1. Its public organic record, if any, is effective.

4355 2. Its private organic rules are effective.

4356 (j) The interests or rights to acquire interests in each
4357 merging entity which are to be converted in the merger are
4358 converted, and the interestholders of those interests are
4359 entitled only to the rights provided to them under the plan of
4360 merger and to appraisal rights they have under s. 608.922 and
4361 ss. 608.961-608.972 and the merging entity's organic law.

4362 (2) Except as otherwise provided in the organic law or
4363 organic rules of a merging entity:

4364 (a) The merger does not give rise to any rights that an
4365 interestholder, governor, or third party would have upon a
4366 dissolution, liquidation, or winding up of the merging entity.

4367 (b) The merging entity is not required to wind up its
4368 affairs, pay its liabilities, and distribute its assets under
4369 ss. 608.7911-608.7927, and the merger does not constitute a
4370 dissolution of the merging entity.

4371 (3) When a merger becomes effective, a person who did not
4372 have interestholder liability with respect to any of the merging
4373 entities and who becomes subject to interestholder liability
4374 with respect to a domestic entity as a result of the merger will
4375 have interestholder liability only to the extent provided by the
4376 organic law of that entity and only for those debts,
4377 obligations, and other liabilities that arise after the merger
4378 becomes effective.

4379 (4) When a merger becomes effective, the interestholder

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4380 liability of a person who ceases to hold an interest in a
4381 domestic merging entity with respect to which the person had
4382 interestholder liability is as follows:

4383 (a) The merger does not discharge an interestholder
4384 liability under the organic law of the domestic merging entity
4385 to the extent the interestholder liability arose before the
4386 merger became effective.

4387 (b) The person does not have interestholder liability under
4388 the organic law of the domestic merging entity for a debt,
4389 obligation, or other liability that arises after the merger
4390 becomes effective.

4391 (c) The organic law of the domestic merging entity and
4392 rights of contribution provided under that law, or the organic
4393 rules of the domestic merging entity, continue to apply to the
4394 release, collection, or discharge of an interestholder liability
4395 preserved under paragraph (a) as if the merger had not occurred
4396 and the surviving entity were the domestic merging entity.

4397 (5) When a merger becomes effective, a foreign entity that
4398 is the surviving entity may be served with process in this state
4399 for the collection and enforcement of any debts, obligations, or
4400 other liabilities of a domestic merging entity as provided in s.
4401 608.7817 and chapter 48.

4402 (6) When a merger becomes effective, the certificate of
4403 authority to transact business in this state of a foreign
4404 merging entity that is not the surviving entity is canceled.

4405 608.935 Interest exchange authorized.—

4406 (1) By complying with ss. 608.936-608.940:

4407 (a) A domestic limited liability company may acquire all of
4408 one or more classes or series of interests of another domestic

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4409 or foreign entity, or the rights to acquire one or more classes
4410 or series of those interests, in exchange for interests,
4411 securities, obligations, money, other property, rights to
4412 acquire interests or securities, or a combination of the
4413 foregoing.

4414 (b) All of one or more classes or series of interests of a
4415 domestic limited liability company or rights to acquire one or
4416 more classes or series of such interests may be acquired by
4417 another domestic or foreign entity in exchange for interests,
4418 securities, obligations, money, other property, rights to
4419 acquire interests or securities, or any combination of the
4420 foregoing.

4421 (2) By complying with ss. 608.935-608.940 that are
4422 applicable to foreign entities, a foreign entity may be the
4423 acquiring or acquired entity in an interest exchange completed
4424 under ss. 608.935-608.940 if the interest exchange is authorized
4425 by the organic law in the foreign entity's jurisdiction of
4426 formation.

4427 (3) If a protected agreement contains a provision that
4428 applies to a merger of a domestic limited liability company but
4429 does not refer to an interest exchange, the provision applies to
4430 an interest exchange in which the domestic limited liability
4431 company is the acquired entity as if the interest exchange were
4432 a merger until the provision is amended after January 1, 2014.

4433 608.936 Plan of interest exchange.—

4434 (1) A domestic limited liability company may be the
4435 acquired entity in an interest exchange under ss. 608.935-
4436 608.940 by approving a plan of interest exchange. The plan must
4437 be in a record and contain:

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- 4438 (a) The name of the acquired entity.
- 4439 (b) The name, jurisdiction of formation, and type of entity
4440 of the acquiring entity.
- 4441 (c) The manner and basis of converting the interests and
4442 the rights to acquire interests of the members of each limited
4443 liability company that is to be an acquired entity into
4444 interests, securities, obligations, money, other property,
4445 rights to acquire interests or securities, or any combination of
4446 the foregoing.
- 4447 (d) If the acquired entity is a domestic limited liability
4448 company, any proposed amendments to or restatements of its
4449 public organic record, or any amendments to or restatements of
4450 its private organic rules that are, or are proposed to be, in a
4451 record, and all such amendments or restatements are effective
4452 upon the effective date of the interest exchange.
- 4453 (e) The other terms and conditions of the interest
4454 exchange.
- 4455 (f) Another provision required by the law of an acquired
4456 entity's jurisdiction of formation, the organic rules of the
4457 acquired entity, the organic rules of an acquiring entity or the
4458 law of the jurisdiction of formation of the acquiring entity.
- 4459 (2) In addition to the requirements of subsection (1), a
4460 plan of interest exchange may contain any other provision not
4461 prohibited by law.
- 4462 608.937 Approval of interest exchange.—
- 4463 (1) A plan of interest exchange is not effective unless it
4464 has been approved:
- 4465 (a) With respect to a domestic limited liability company
4466 that is the acquired entity in the interest exchange, by a

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4467 majority-in-interest of the members of the company.

4468 (b) In a record, by each member of the domestic acquired
4469 limited liability company that will have interestholder
4470 liability for debts, obligations, and other liabilities that
4471 arise after the interest exchange becomes effective, unless:

4472 1. The organic rules of the company in a record provide for
4473 the approval of an interest exchange or a merger in which some
4474 or all of its members become subject to interestholder liability
4475 by the vote or consent of fewer than all the members.

4476 2. The member consented in a record to, or voted for, that
4477 provision of the organic rules or became a member after the
4478 adoption of that provision.

4479 (2) An interest exchange involving a domestic acquired
4480 entity that is not a limited liability company is not effective
4481 unless it is approved by the domestic entity in accordance with
4482 its organic law.

4483 (3) An interest exchange involving a foreign acquired
4484 entity is not effective unless it is approved by the foreign
4485 entity in accordance with the law of the foreign entity's
4486 jurisdiction of formation.

4487 (4) Except as otherwise provided in its organic law or
4488 organic rules, the interestholders of the acquiring entity are
4489 not required to approve the interest exchange.

4490 (5) All members of each domestic limited liability company
4491 that is a party to the interest exchange and have a right to
4492 vote upon the interest exchange must be given written notice of
4493 a meeting with respect to the approval of a plan of interest
4494 exchange as provided in subsection (1), at least 10 days but not
4495 more than 60 days before the date of the meeting at which the

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4496 plan of interest exchange is submitted for approval by the
4497 members of such limited liability company. The notification
4498 required by this subsection may be waived in writing by the
4499 person or persons entitled to such notification.

4500 (6) The notification required by subsection (5) must be in
4501 writing and include:

4502 (a) The date, time, and place of the meeting at which the
4503 plan of interest exchange is to be submitted for approval by the
4504 members of the limited liability company.

4505 (b) A copy of the plan of interest exchange.

4506 (c) The statement or statements required by this chapter
4507 regarding the availability of appraisal rights, if any, to
4508 members of the limited liability company.

4509 (d) The date on which such notification was mailed or
4510 delivered to the members.

4511 (e) Other information concerning the plan of interest
4512 exchange.

4513 (7) The notification required by subsection (5) is deemed
4514 to be given at the earliest date of:

4515 (a) The date the notification is received.

4516 (b) Five days after the date the notification is deposited
4517 in the United States mail addressed to the member at the
4518 member's address as it appears in the books and records of the
4519 limited liability company, with prepaid postage affixed.

4520 (c) The date shown on the return receipt, if sent by
4521 registered or certified mail, return receipt requested, and the
4522 receipt is signed by or on behalf of the addressee.

4523 (d) The date the notification is given in accordance with
4524 the organic rules of the limited liability company.

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4525 608.938 Amendment or abandonment of plan of interest
4526 exchange.—

4527 (1) A plan of interest exchange may be amended only with
4528 the consent of each party to the plan, except as otherwise
4529 provided in the plan or in the organic rules of each entity.

4530 (2) A domestic acquired limited liability company may
4531 approve an amendment of a plan of interest exchange:

4532 (a) In the same manner as the plan was approved, if the
4533 plan does not provide for the manner in which it may be amended;
4534 or

4535 (b) By the managers or members in the manner provided in
4536 the plan, but a member that was entitled to vote on or consent
4537 to approval of the interest exchange is entitled to vote on or
4538 consent to an amendment of the plan that will change:

4539 1. The amount or kind of interests, securities,
4540 obligations, money, other property, rights to acquire interests
4541 or securities, or any combination of the foregoing, to be
4542 received by the interestholders of a party to the plan;

4543 2. The public organic record, if any, or private organic
4544 rules of the acquired entity that will be in effect immediately
4545 after the interest exchange becomes effective, except for
4546 changes that do not require approval of the interestholders of
4547 the acquired entity under its organic law or organic rules; or

4548 3. Other terms or conditions of the plan, if the change
4549 would adversely affect the member in a material respect.

4550 (3) After a plan of interest exchange has been approved and
4551 before the articles of interest exchange become effective, the
4552 plan may be abandoned as provided in the plan. Unless prohibited
4553 by the plan, a domestic limited liability company may abandon

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4554 the plan in the same manner that the plan was approved.

4555 (4) If a plan of interest exchange is abandoned after
4556 articles of interest exchange have been delivered to the
4557 department for filing and before the articles of interest
4558 exchange have become effective, a statement of abandonment,
4559 signed by a party to the plan, must be delivered to the
4560 department for filing before the articles of interest exchange
4561 become effective. The statement of abandonment takes effect on
4562 filing, and the interest exchange is abandoned and does not
4563 become effective. The statement of abandonment must contain:

4564 (a) The name of each party to the plan of interest
4565 exchange.

4566 (b) The date on which the articles of interest exchange
4567 were delivered to the department for filing.

4568 (c) A statement that the interest exchange has been
4569 abandoned in accordance with this section.

4570 608.939 Articles of interest exchange.—

4571 (1) After a plan of interest exchange has been approved,
4572 articles of interest exchange must be signed by each party to
4573 the interest exchange and delivered to the department for
4574 filing.

4575 (2) The articles of interest exchange must contain:

4576 (a) The name of the acquired limited liability company.

4577 (b) The name, jurisdiction of formation, and type of entity
4578 of the acquiring entity.

4579 (c) A statement that the plan of interest exchange was
4580 approved by the acquired limited liability entity in accordance
4581 with ss. 608.935-608.940 and by each member of such limited
4582 liability company who, as a result of the interest exchange,

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4583 will have interestholder liability under s. 608.937(1)(b) and
4584 whose approval is required.

4585 (d) Any amendments to the acquired limited liability
4586 company's public organic record approved as part of the plan of
4587 interest exchange.

4588 (e) A statement that the plan of interest exchange was
4589 approved by each acquiring entity that is a party to the
4590 interest exchange in accordance with the organic laws in its
4591 jurisdiction of formation, or if such approval was not required,
4592 a statement to that effect.

4593 (f) A statement that the acquiring entity has agreed to pay
4594 to any members of the acquired entity with appraisal rights the
4595 amount to which such members are entitled under s. 608.922 and
4596 ss. 608.961-608.972.

4597 (g) The effective date of the interest exchange, if the
4598 effective date of the interest exchange is not the same as the
4599 date of filing of the articles of interest exchange, subject to
4600 the limitations contained in s. 608.7827.

4601 (3) In addition to the requirements of subsection (2),
4602 articles of interest exchange may contain any other provision
4603 not prohibited by law.

4604 (4) An interest exchange becomes effective when the
4605 articles of interest exchange become effective, unless the
4606 articles of interest exchange specify an effective time or a
4607 delayed effective date that complies with s. 608.7827.

4608 (5) A limited liability company is not required to deliver
4609 articles of interest exchange for filing pursuant to subsection
4610 (1) if the domestic limited liability company is named as an
4611 acquired entity or as an acquiring entity in the articles of

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4612 interest exchange filed for the same interest exchange in
4613 accordance with s. 608.929(1), and if such articles of interest
4614 exchange substantially comply with the requirements of this
4615 section. In such a case, the other articles of interest exchange
4616 may also be used for purposes of subsection (2).

4617 608.940 Effect of interest exchange.—

4618 (1) When an interest exchange in which the acquired entity
4619 is a domestic limited liability company becomes effective:

4620 (a) The interests in a domestic company that are the
4621 subject of the interest exchange cease to exist or are converted
4622 or exchanged, and the members holding those interests are
4623 entitled only to the rights provided to them under the plan of
4624 interest exchange and to any appraisal rights they have under s.
4625 608.922 and ss. 608.961-608.972.

4626 (b) The acquiring entity becomes the interestholder of the
4627 interests in the acquired entity stated in the plan of interest
4628 exchange to be acquired by the acquiring entity.

4629 (c) The public organic record of the acquired entity is
4630 amended as provided in the articles of interest exchange.

4631 (d) The private organic rules of the acquired entity that
4632 are to be in a record, if any, are amended to the extent
4633 provided in the plan of interest exchange.

4634 (2) Except as otherwise provided in the organic rules of
4635 the acquired limited liability company, the interest exchange
4636 does not give rise to any rights that a member, manager, or
4637 third party would have upon a dissolution, liquidation, or
4638 winding up of the acquired entity.

4639 (3) When an interest exchange becomes effective, a person
4640 who did not have interestholder liability with respect to a

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4641 domestic acquired limited liability company and who becomes
4642 subject to interestholder liability with respect to a domestic
4643 entity as a result of the interest exchange will have
4644 interestholder liability only to the extent provided by the
4645 organic law of the entity and only for those debts, obligations,
4646 and other liabilities that arise after the interest exchange
4647 becomes effective.

4648 (4) When an interest exchange becomes effective, the
4649 interestholder liability of a person who ceases to hold an
4650 interest in a domestic acquired limited liability company with
4651 respect to which the person had interestholder liability is as
4652 follows:

4653 (a) The interest exchange does not discharge an
4654 interestholder liability to the extent the interestholder
4655 liability arose before the interest exchange became effective.

4656 (b) The person does not have interestholder liability for
4657 any debt, obligation, or other liability that arises after the
4658 interest exchange becomes effective.

4659 (c) The organic law of the acquired entity's jurisdiction
4660 of formation and any rights of contribution provided by that
4661 law, or under the organic rules of the acquired entity,
4662 continues to apply to the release, collection, or discharge of
4663 any interestholder liability preserved under paragraph (a) as if
4664 the interest exchange had not occurred.

4665 608.941 Conversion authorized.—

4666 (1) By complying with ss. 608.941-608.950, a domestic
4667 limited liability company may become:

4668 (a) A domestic entity that is a different type of entity;

4669 or

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4670 (b) A foreign entity that is a limited liability company or
4671 a different type of entity, if the conversion is authorized by
4672 the law of the foreign entity's jurisdiction of formation.

4673 (2) By complying with ss. 608.941-608.950 that are
4674 applicable to domestic entities that are not a domestic limited
4675 liability company, a domestic entity that is not a domestic
4676 limited liability company may become a domestic limited
4677 liability company if the conversion is authorized by the law
4678 governing the domestic entity that is not a domestic limited
4679 liability company.

4680 (3) By complying with ss. 608.901-608.910 that are
4681 applicable to a foreign entity, a foreign entity may become a
4682 domestic limited liability company if the conversion is
4683 authorized by the law of the foreign entity's jurisdiction of
4684 formation.

4685 (4) If a protected agreement contains a provision that
4686 applies to a merger of a domestic limited liability company but
4687 does not refer to a conversion, the provision applies to a
4688 conversion of the entity as if the conversion were a merger
4689 until the provision is amended after January 1, 2014.

4690 608.946 Plan of conversion.-

4691 (1) A domestic limited liability company may convert into a
4692 different type of domestic entity or into a foreign entity that
4693 is a foreign limited liability company or a different type of
4694 foreign entity by approving a plan of conversion. The plan must
4695 be in a record and contain:

4696 (a) The name of the converting limited liability company.

4697 (b) The name, jurisdiction of formation, and type of entity
4698 of the converted entity.

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4699 (c) The manner and basis of converting the interests and
4700 rights to acquire interests in the converting limited liability
4701 company into interests, securities, obligations, money, other
4702 property, rights to acquire interests or securities, or any
4703 combination of the foregoing.

4704 (d) The proposed public organic record of the converted
4705 entity if it will be a filing entity.

4706 (e) The full text of the private organic rules of the
4707 converted entity that are proposed to be in a record, if any.

4708 (f) Another provision required by the law of this state or
4709 the organic rules of the converted limited liability company, if
4710 the entity is to be other than a domestic limited liability
4711 company.

4712 (g) All other statements required to be set forth in a plan
4713 of conversion by the law of the jurisdiction of formation of the
4714 converted entity following the conversion.

4715 (2) In addition to the requirements of subsection (1), a
4716 plan of conversion may contain any other provision not
4717 prohibited by law.

4718 608.947 Approval of conversion.—

4719 (1) A plan of conversion is not effective unless it has
4720 been approved:

4721 (a) If the converting entity is a domestic limited
4722 liability company, by a majority-in-interest of the members of
4723 the company who have a right to vote upon the conversion.

4724 (b) In a record, by each member of a converting limited
4725 liability company that will have interestholder liability for
4726 debts, obligations, and other liabilities that arise after the
4727 conversion becomes effective, unless:

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4728 1. The organic rules of the company in a record provide for
4729 the approval of a conversion in which some or all of its members
4730 become subject to interestholder liability by the vote or
4731 consent of less than all of the members.

4732 2. The member consented in a record to or voted for that
4733 provision of the organic rules or became a member after the
4734 adoption of that provision.

4735 (2) A conversion involving a domestic converting entity
4736 that is not a limited liability company is not effective unless
4737 it is approved by the domestic converting entity in accordance
4738 with its organic law.

4739 (3) A conversion of a foreign converting entity is not
4740 effective unless it is approved by the foreign entity in
4741 accordance with the law of the foreign entity's jurisdiction of
4742 formation.

4743 (4) If the converting entity is a domestic limited
4744 liability company, all members of the company who have the right
4745 to vote upon the conversion must be given written notice of a
4746 meeting with respect to the approval of a plan of conversion as
4747 provided in subsection (1), at least 10 days but not more than
4748 60 days before the date of the meeting at which the plan of
4749 conversion is submitted for approval by the members of the
4750 limited liability company. The notification required by
4751 subsection (5) may be waived in writing by the person or persons
4752 entitled to such notification.

4753 (5) The notification required by subsection (4) must be in
4754 writing and include:

4755 (a) The date, time, and place of the meeting at which the
4756 plan of conversion is to be submitted for approval by the

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4757 members of the limited liability company.

4758 (b) A copy of the plan of conversion.

4759 (c) The statement or statements required by s. 608.922 and
4760 ss. 608.961-608.972 regarding the availability of appraisal
4761 rights, if any, to members of the limited liability company.

4762 (d) The date on which such notification was mailed or
4763 delivered to the members.

4764 (e) Any other information concerning the plan of
4765 conversion.

4766 (6) The notification required by subsection (4) is deemed
4767 to be given at the earliest date of:

4768 (a) The date the notification is received;

4769 (b) Five days after the date the notification is deposited
4770 in the United States mail addressed to the member at the
4771 member's address as it appears in the books and records of the
4772 limited liability company, with prepaid postage affixed;

4773 (c) The date shown on the return receipt, if sent by
4774 registered or certified mail, return receipt requested, and the
4775 receipt is signed by or on behalf of the addressee; or

4776 (d) The date the notification is given in accordance with
4777 the organic rules of the limited liability company.

4778 608.948 Amendment or abandonment of plan of conversion.—

4779 (1) A plan of conversion of a domestic converting limited
4780 liability company may be amended:

4781 (a) In the same manner as the plan was approved, if the
4782 plan does not provide for the manner in which it may be amended;
4783 or

4784 (b) By the managers or members of the entity in the manner
4785 provided in the plan, but a member who was entitled to vote on

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4786 or consent to approval of the conversion is entitled to vote on
4787 or consent to an amendment of the plan that will change:

4788 1. The amount or kind of interests, securities,
4789 obligations, money, other property, rights to acquire interests
4790 or securities, or any combination of the foregoing, to be
4791 received by the interestholders of the converting entity under
4792 the plan;

4793 2. The public organic record, if any, or private organic
4794 rules of the converted entity that will be in effect immediately
4795 after the conversion becomes effective, except for changes that
4796 do not require approval of the interestholders of the converting
4797 entity under its organic law or organic rules; or

4798 3. Other terms or conditions of the plan, if the change
4799 would adversely affect the member in a material respect.

4800 (2) After a plan of conversion has been approved and before
4801 the articles of conversion become effective, the plan may be
4802 abandoned as provided in the plan. Unless prohibited by the
4803 plan, a domestic converting limited liability company may
4804 abandon the plan in the same manner that the plan was approved.

4805 (3) If a plan of conversion is abandoned after articles of
4806 conversion have been delivered to the department for filing and
4807 before the articles of conversion have become effective, a
4808 statement of abandonment, signed by the converting entity, must
4809 be delivered to the department for filing before the articles of
4810 conversion become effective. The statement of abandonment takes
4811 effect on filing, and the conversion is abandoned and does not
4812 become effective. The statement of abandonment must contain:

4813 (a) The name of the converting limited liability company.

4814 (b) The date on which the articles of conversion were

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4815 delivered to the department for filing.

4816 (c) A statement that the conversion has been abandoned in
4817 accordance with this section.

4818 608.949 Articles of conversion.—

4819 (1) After a plan of conversion is approved, articles of
4820 conversion signed by the converting entity must be delivered to
4821 the department for filing.

4822 (2) The articles of conversion must contain:

4823 (a) The name, jurisdiction of formation, and type of entity
4824 of the converting entity.

4825 (b) The name, jurisdiction of formation, and type of entity
4826 of the converted entity.

4827 (c) If the converting entity is a domestic limited
4828 liability company, a statement that the plan of conversion has
4829 been approved in accordance with ss. 608.941-608.950, or if the
4830 converted entity is a foreign entity, a statement that the
4831 conversion was approved by the foreign converting entity in
4832 accordance with the law of its jurisdiction of formation and by
4833 each member of the converting entity, who, as a result of the
4834 conversion, will have interestholder liability under s.
4835 608.947(1)(b), and whose approval is required.

4836 (d) If the converted entity is a domestic filing entity,
4837 the text of its public organic record, as an attachment.

4838 (e) If the converted entity is a domestic limited liability
4839 partnership, the text of its statement of qualification, as an
4840 attachment.

4841 (f) If the converted entity is a foreign entity that does
4842 not have a certificate of authority to transact business in this
4843 state, a mailing address to which the department may send any

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4844 process served on the department pursuant to s. 608.7817 and
4845 chapter 48.

4846 (g) A statement that the converted entity has agreed to pay
4847 to the members of a limited liability company with appraisal
4848 rights the amount to which such members are entitled under s.
4849 608.922 and ss. 608.961-608.972.

4850 (h) The effective date of the conversion, if the effective
4851 date of the conversion is not the same as the date of filing of
4852 the articles of conversion, subject to the limitations contained
4853 in s. 608.7827.

4854 (3) In addition to the requirements of subsection (1),
4855 articles of conversion may contain another provision not
4856 prohibited by law.

4857 (4) A conversion becomes effective when the articles of
4858 conversion become effective, unless the articles of conversion
4859 specify an effective time or a delayed effective date that
4860 complies with s. 608.7827.

4861 (5) A copy of the articles of conversion, certified by the
4862 department, may be filed in the official records of any county
4863 in this state in which the converted entity holds an interest in
4864 real property.

4865 608.950 Effect of conversion.—

4866 (1) When a conversion in which the converted entity is a
4867 domestic limited liability company becomes effective:

4868 (a) The converted entity is:

4869 1. Organized under and subject to this chapter.

4870 2. The same entity without interruption as the converting
4871 entity.

4872 (b) All property of the converting entity continues to be

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4873 vested in the converted entity without transfer, reversion, or
4874 impairment.

4875 (c) All debts, obligations, and other liabilities of the
4876 converting entity continue as debts, obligations, and other
4877 liabilities of the converted entity.

4878 (d) Except as otherwise provided by law or the plan of
4879 conversion, all the rights, privileges, immunities, powers, and
4880 purposes of the converting entity remain in the converted
4881 entity.

4882 (e) The name of the converted entity may be substituted for
4883 the name of the converting entity in a pending action or
4884 proceeding.

4885 (f) The organic rules of the converted entity that are to
4886 be in a record, if any, approved as part of the plan of
4887 conversion are effective.

4888 (g) The interests or rights to acquire interests in the
4889 converting entity are converted, and the interestholders of the
4890 converting entity are entitled only to the rights provided to
4891 them under the plan of conversion and to any appraisal rights
4892 they have under s. 608.922 and ss. 608.961-608.972 and the
4893 converting entity's organic law.

4894 (2) Except as otherwise provided in the private organic
4895 rules of a domestic converting limited liability company, the
4896 conversion does not give rise to any rights that a member,
4897 manager, or third party would otherwise have upon a dissolution,
4898 liquidation, or winding up of the converting entity.

4899 (3) When a conversion becomes effective, a person who did
4900 not have interestholder liability with respect to the converting
4901 entity and becomes subject to interestholder liability with

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4902 respect to a domestic entity as a result of the conversion has
4903 interestholder liability only to the extent provided by the
4904 organic law of the entity and only for those debts, obligations,
4905 and other liabilities that arise after the conversion becomes
4906 effective.

4907 (4) When a conversion becomes effective, the interestholder
4908 liability of a person who ceases to hold an interest in a
4909 domestic limited liability company with respect to which the
4910 person had interestholder liability is as follows:

4911 (a) The conversion does not discharge any interestholder
4912 liability to the extent the interestholder liability arose
4913 before the conversion became effective.

4914 (b) The person does not have interestholder liability for
4915 any debt, obligation, or other liability that arises after the
4916 conversion becomes effective.

4917 (c) The organic law of the jurisdiction of formation of the
4918 converting limited liability company and the rights of
4919 contribution provided under that law, or the organic rules of
4920 the converting limited liability company, continue to apply to
4921 the release, collection or discharge of an interestholder
4922 liability preserved under paragraph (a) as if the conversion had
4923 not occurred.

4924 (5) When a conversion becomes effective, a foreign entity
4925 that is the converted entity may be served with process in this
4926 state for the collection and enforcement of its debts,
4927 obligations, and liabilities as provided in s. 608.7817 and
4928 chapter 48.

4929 (6) If the converting entity is a registered foreign
4930 entity, the certificate of authority to conduct business in this

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4931 state of the converting entity is canceled when the conversion
4932 becomes effective.

4933 (7) A conversion does not require the entity to wind up its
4934 affairs and does not constitute or cause the dissolution of the
4935 entity.

4936 608.955 Domestication authorized.—By complying with ss.
4937 608.955-608.960, a non-United States entity may become a
4938 domestic limited liability company if the domestication is
4939 authorized by the organic law of the non-United States entity's
4940 jurisdiction of formation.

4941 608.956 Plan of domestication.—

4942 (1) A non-United States entity may become a domestic
4943 limited liability company by approving a plan of domestication.
4944 The plan of domestication must be in a record and contain:

4945 (a) The name and jurisdiction of formation of the
4946 domesticating entity.

4947 (b) If applicable, the manner and basis of converting the
4948 interests and rights to acquire interests in the domesticating
4949 entity into interests, securities, obligations, money, other
4950 property, rights to acquire interests or securities, or any
4951 combination thereof.

4952 (c) The proposed public organic record of the domesticating
4953 entity in this state.

4954 (d) The full text of the proposed private organic rules of
4955 the domesticated entity that are to be in a record, if any.

4956 (e) Any other provision required by the law of the
4957 jurisdiction of formation of the domesticating entity or the
4958 organic rules of the domesticating entity.

4959 (2) In addition to the requirements of subsection (1), a

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4960 plan of domestication may contain any other provision not
4961 prohibited by law.

4962 608.957 Approval of domestication.—A plan of domestication
4963 of a domesticating entity shall be approved:

4964 (1) In accordance with the organic law of the domesticating
4965 entity's jurisdiction of formation.

4966 (2) In a record, by each of the domesticating entity's
4967 owners who will have interestholder liability for debts,
4968 obligations, and other liabilities that arise after the
4969 domestication becomes effective, unless:

4970 (a) The organic rules of the domesticating entity in a
4971 record provide for the approval of a domestication in which some
4972 or all of the persons who are its owners become subject to
4973 interestholder liability by the vote or consent of fewer than
4974 all of the persons that are its owners.

4975 (b) The person who will be a member of the domesticated
4976 limited liability company consented in a record to or voted for
4977 that provision of the organic rules of the domesticating entity
4978 or became an owner of the domesticating entity after the
4979 adoption of that provision.

4980 608.958 Amendment or abandonment of plan of domestication.—

4981 (1) A plan of domestication of a domesticating entity may
4982 be amended:

4983 (a) In the same manner that the plan was approved if the
4984 plan does not provide for the manner in which it may be amended;
4985 or

4986 (b) By the interestholders of the domesticating entity in
4987 the manner provided in the plan, but an owner who was entitled
4988 to vote on or consent to approval of the domestication is

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4989 entitled to vote on or consent to an amendment of the plan that
4990 will change:

4991 1. If applicable, the amount or kind of interests,
4992 securities, obligations, money, other property, rights to
4993 acquire interests or securities, or any combination of the
4994 foregoing, to be received by the interestholders of the
4995 domesticating entity under the plan;

4996 2. The public organic record, if any, or private organic
4997 rules of the domesticated limited liability company that will be
4998 in effect immediately after the domestication becomes effective,
4999 except for changes that do not require approval of the
5000 interestholders of the domesticating entity under its organic
5001 law or organic rules; or

5002 3. Any other terms or conditions of the plan, if the change
5003 would adversely affect the member in a material respect.

5004 (2) After a plan of domestication has been approved and
5005 before the articles of domestication become effective, the plan
5006 may be abandoned as provided in the plan. Unless prohibited by
5007 the plan, the domesticating entity may abandon the plan in the
5008 same manner that the plan was approved.

5009 (3) If a plan of domestication is abandoned after articles
5010 of domestication have been delivered to the department for
5011 filing and before the articles of domestication have become
5012 effective, a statement of abandonment, signed by the
5013 domesticating entity, must be delivered to the department for
5014 filing before the articles of domestication become effective.
5015 The statement of abandonment takes effect on filing, and the
5016 domestication is abandoned and does not become effective. The
5017 statement of abandonment must contain:

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- 5018 (a) The name of the domesticating entity.
- 5019 (b) The date on which the articles of domestication were
5020 delivered to the department for filing.
- 5021 (c) A statement that the domestication has been abandoned
5022 in accordance with this section.
- 5023 608.959 Articles of domestication.—
- 5024 (1) The articles of domestication must be filed with the
5025 department. The articles of domestication shall state:
- 5026 (a) The date on which the domesticating entity was first
5027 formed, incorporated, created, or otherwise came into being.
- 5028 (b) The name of the domesticating entity immediately before
5029 the filing of the articles of domestication.
- 5030 (c) The name of the domesticated limited liability company
5031 as set forth in the articles of organization filed in accordance
5032 with this subsection.
- 5033 (d) The future effective date of the domestication as a
5034 limited liability company if it is not to be effective upon the
5035 filing of the articles of domestication subject to the
5036 limitations contained in s. 608.7827.
- 5037 (e) The jurisdiction that constituted the seat, siege
5038 social, or principal place of business or central administration
5039 of the domesticating entity, or any other equivalent under
5040 applicable law, immediately before the filing of the articles of
5041 domestication.
- 5042 (f) That the domestication has been approved in accordance
5043 with the laws of the jurisdiction of formation of the
5044 domesticating entity.
- 5045 (2) In addition to the requirements of subsection (1),
5046 articles of domestication may contain any other provision not

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5047 prohibited by law.

5048 (3) The articles of domestication that are filed with the
5049 department must be accompanied by a certificate of status or
5050 equivalent document, if any, from the domesticating entity's
5051 jurisdiction of formation.

5052 (4) The articles of domestication and the public organic
5053 record of a domesticated limited liability company must satisfy
5054 the requirements of the law of this state, but be executed by an
5055 authorized representative and registered agent in accordance
5056 with this chapter.

5057 608.960 Effect of domestication.—

5058 (1) When a domestication becomes effective:

5059 (a) The domesticated limited liability company is:

5060 1. Organized under and subject to the organic law of this
5061 state.

5062 2. The same entity, without interruption, as the
5063 domesticating entity.

5064 (b) All property of the domesticating entity continues to
5065 be vested in the domesticated limited liability company without
5066 transfer, reversion, or impairment.

5067 (c) All debts, obligations, and other liabilities of the
5068 domesticating entity continue as debts, obligations, and other
5069 liabilities of the domesticated limited liability company.

5070 (d) Except as otherwise provided by law or the plan of
5071 domestication, all the rights, privileges, immunities, powers,
5072 and purposes of the domesticating entity remain in the
5073 domesticated limited liability company.

5074 (e) The name of the domesticated limited liability company
5075 may be substituted for the name of the domesticating entity in a

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5076 pending action or proceeding.

5077 (f) The public organic rules of the domesticated limited
5078 liability company are effective.

5079 (g) The private organic rules of the domesticated limited
5080 liability company that are to be in a record, if any, approved
5081 as part of the plan of domestication are effective.

5082 (h) The interests in the domesticating entity are converted
5083 to the extent and as approved in connection with the
5084 domestication, and the interestholders of the domesticating
5085 entity are entitled only to the rights provided to them under
5086 the plan of domestication.

5087 (2) Except as otherwise provided in the organic law or
5088 organic rules of the domesticating entity, the domestication
5089 does not give rise to any rights that an interestholder or third
5090 party would otherwise have upon a dissolution, liquidation, or
5091 winding up of the domesticating entity.

5092 (3) When a domestication becomes effective, a person who
5093 did not have interestholder liability with respect to the
5094 domesticating entity and becomes subject to interestholder
5095 liability with respect to the domesticated limited liability
5096 company as a result of the domestication has interestholder
5097 liability only to the extent provided by the organic law of the
5098 domesticating entity and only for those debts, obligations, and
5099 other liabilities that arise after the domestication becomes
5100 effective.

5101 (4) When a domestication becomes effective:

5102 (a) The domestication does not discharge any interestholder
5103 liability under this chapter to the extent the interestholder
5104 liability arose before the domestication became effective.

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5105 (b) A person does not have interestholder liability under
5106 this chapter for any debt, obligation, or other liability that
5107 arises after the domestication becomes effective.

5108 (c) The organic law of the jurisdiction of formation of the
5109 domesticating entity and any rights of contribution provided
5110 under that law, or the organic rules of the domesticating
5111 entity, continue to apply to the release, collection, or
5112 discharge of any interestholder liability preserved under
5113 subparagraph (a) as if the domestication had not occurred.

5114 (5) When a domestication becomes effective, a domesticating
5115 entity that has become the domesticated limited liability
5116 company may be served with process in this state for the
5117 collection and enforcement of its debts, obligations, and
5118 liabilities as provided in s. 608.7817 and chapter 48.

5119 (6) If the domesticating entity is qualified to transact
5120 business in this state, the certificate of authority of the
5121 domesticating entity is canceled when the domestication becomes
5122 effective.

5123 (7) A domestication does not require the domesticating
5124 entity to wind up its affairs and does not constitute or cause
5125 the dissolution of the domesticating entity.

5126 608.961 Appraisal rights; definitions.— The following
5127 definitions apply to s. 608.922 and to ss. 608.961-608.972:

5128 (1) "Accrued interest" means interest from the effective
5129 date of the appraisal event to which the member objects until
5130 the date of payment, at the rate of interest determined for
5131 judgments in accordance with s. 55.03, determined as of the
5132 effective date of the appraisal event.

5133 (2) "Affiliate" means a person who directly or indirectly,

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5134 through one or more intermediaries, controls, is controlled by,
5135 or is under common control with another person or is a senior
5136 executive thereof. For purposes of s. 608.922(2), a person is
5137 deemed to be an affiliate of its senior executives.

5138 (3) "Appraisal event" means an event described in s.
5139 608.922(1).

5140 (4) "Beneficial member" means a person who is the
5141 beneficial owner of a membership interest held in a voting trust
5142 or by a nominee on the beneficial owner's behalf.

5143 (5) "Fair value" means the value of the member's membership
5144 interests determined:

5145 (a) Immediately before the effectuation of the appraisal
5146 event to which the member objects.

5147 (b) Using customary and current valuation concepts and
5148 techniques generally employed for similar businesses in the
5149 context of the transaction requiring appraisal, excluding any
5150 appreciation or depreciation in anticipation of the transaction
5151 to which the member objects unless exclusion would be
5152 inequitable to the limited liability company and its remaining
5153 members.

5154 (c) Without discounting for lack of marketability or
5155 minority status.

5156 (6) "Limited liability company" means the limited liability
5157 company that issued the membership interest held by a member
5158 demanding appraisal and, for matters covered in ss. 608.961-
5159 608.972, including the converted entity in a conversion or the
5160 surviving entity in a merger.

5161 (7) "Member" means a record member or a beneficial member.

5162 (8) "Membership interest" means a member's transferable

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5163 interest and all other rights as a member of the limited
5164 liability company that issued the membership interest, including
5165 voting rights, management rights, or other rights under this
5166 chapter or the organic rules of the limited liability company
5167 except, if the appraisal rights of a member under s. 608.922
5168 pertain to only a certain class or series of a membership
5169 interest, the term "membership interest" means only the
5170 membership interest pertaining to such class or series.

5171 (9) "Record member" means each person who is identified as
5172 a member in the current list of members maintained for purposes
5173 of s. 608.922 by the limited liability company, or to the extent
5174 the limited liability company has failed to maintain a current
5175 list, each person that is the rightful owner of a membership
5176 interest in the limited liability company. A transferee of a
5177 membership interest who has not been admitted as member is not a
5178 record member.

5179 (10) "Senior executive" means a manager in a manager-
5180 managed limited liability company, a member in a member-managed
5181 limited liability company, or the chief executive officer, chief
5182 operating officer, chief financial officer, or anyone in charge
5183 of a principal business unit or function of a limited liability
5184 company, or of a manager in a manager-managed limited liability
5185 company, or a member in a member-managed limited liability
5186 company.

5187 608.962 Assertion of rights by nominees and beneficial
5188 owners.-

5189 (1) A record member may assert appraisal rights as to fewer
5190 than all the membership interests registered in the record
5191 member's name which are owned by a beneficial member only if the

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5192 record member objects with respect to all membership interests
5193 of the class or series owned by that beneficial member and
5194 notifies the limited liability company in writing of the name
5195 and address of each beneficial member on whose behalf appraisal
5196 rights are being asserted. The rights of a record member who
5197 asserts appraisal rights for only part of the membership
5198 interests of the class or series held of record in the record
5199 member's name under this subsection shall be determined as if
5200 the membership interests to which the record member objects and
5201 the record member's other membership interests were registered
5202 in the names of different record members.

5203 (2) A beneficial member may assert appraisal rights as to a
5204 membership interest held on behalf of the member only if the
5205 beneficial member:

5206 (a) Submits to the limited liability company the record
5207 member's written consent to the assertion of such rights by the
5208 date provided in s. 608.963(3)(b).

5209 (b) Does so with respect to all membership interests of the
5210 class or series that are beneficially owned by the beneficial
5211 member.

5212 608.963 Notice of appraisal rights.—

5213 (1) If a proposed appraisal event is to be submitted to a
5214 vote at a members' meeting, the meeting notice must state that
5215 the limited liability company has concluded that the members
5216 are, are not, or may be entitled to assert appraisal rights
5217 under this chapter.

5218 (2) If the limited liability company concludes that
5219 appraisal rights are or may be available, a copy of s. 608.922
5220 and ss. 608.961-608.972 must accompany the meeting notice sent

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5221 to those record members who are or may be entitled to exercise
5222 appraisal rights.

5223 (3) If the appraisal event is to be approved other than by
5224 a members' meeting:

5225 (a) Written notice that appraisal rights are, are not, or
5226 may be available must be sent to each member from whom a consent
5227 is solicited at the time consent of the member is first
5228 solicited, and if the limited liability company has concluded
5229 that appraisal rights are or may be available, a copy of s.
5230 608.922 and ss. 608.961-608.972 must accompany such written
5231 notice.

5232 (b) Written notice that appraisal rights are, are not, or
5233 may be available must be delivered, at least 10 days before the
5234 appraisal event becomes effective, to all nonconsenting and
5235 nonvoting members, and, if the limited liability company has
5236 concluded that appraisal rights are or may be available, a copy
5237 of s. 608.922 and ss. 608.961-608.972 must accompany such
5238 written notice.

5239 (4) If a particular appraisal event is proposed and the
5240 limited liability company concludes that appraisal rights are or
5241 may be available, the notice referred to in subsection (1) or
5242 paragraph (3) (a) or paragraph (3) (b) must be accompanied by:

5243 (a) Financial statements of the limited liability company
5244 that issued the membership interests that may or are subject to
5245 appraisal rights, consisting of a balance sheet as of the end of
5246 the fiscal year ending not more than 16 months before the date
5247 of the notice, an income statement for that fiscal year and a
5248 cash flow statement for that fiscal year; if the financial
5249 statements are not reasonably available, the limited liability

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5250 company must provide reasonably equivalent financial
5251 information.

5252 (b) The latest available interim financial statements,
5253 including year to date through the end of the interim period, of
5254 the limited liability company, if any.

5255 (5) The right to receive the information described in
5256 subsection (4) may be waived in writing by a member before or
5257 after the appraisal event.

5258 608.964 Notice of intent to demand payment.-

5259 (1) If a proposed appraisal event is submitted to a vote at
5260 a members' meeting, a member who is entitled to, and who wishes,
5261 to assert appraisal rights with respect to a class or series of
5262 membership interests:

5263 (a) Must deliver to any other member of a member managed
5264 limited liability company, to a manager of a manager-managed
5265 limited liability company, or, if the limited liability company
5266 has appointed officers, to an officer, before the vote is taken,
5267 written notice of the person's intent to demand payment if the
5268 proposed appraisal event is effectuated.

5269 (b) Must not vote, or cause or permit to be voted, any
5270 membership interests of the class or series in favor of the
5271 appraisal event.

5272 (2) If a proposed appraisal event is to be approved by less
5273 than unanimous written consent of the members, a member who is
5274 entitled to and who wishes to assert appraisal rights with
5275 respect to a class or series of membership interests must not
5276 sign a consent in favor of the proposed appraisal event with
5277 respect to that class or series of membership interests.

5278 (3) A person who may otherwise be entitled to appraisal

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5279 rights, but who does not satisfy the requirements of subsection
5280 (1) or subsection (2), is not entitled to payment under s.
5281 608.922 and ss. 608.961-608.972.

5282 608.965 Appraisal notice and form.-

5283 (1) If the proposed appraisal event becomes effective, the
5284 limited liability company must send a written appraisal notice
5285 and form required by paragraph (2)(a) to all members who satisfy
5286 the requirements of s. 608.964(1) or (2).

5287 (2) The appraisal notice must be sent no earlier than the
5288 date the appraisal event became effective and within 10 days
5289 after the date and must:

5290 (a) Supply a form that specifies the date that the
5291 appraisal event became effective and that provides for the
5292 member to state:

5293 1. The member's name and address.

5294 2. The number, classes, and series of membership interests
5295 as to which the member asserts appraisal rights.

5296 3. That the member did not vote for or execute a written
5297 consent with respect to the transaction.

5298 4. Whether the member accepts the limited liability
5299 company's offer as stated in subparagraph (b)4.

5300 5. If the offer is not accepted, the member's estimated
5301 fair value of the membership interests and a demand for payment
5302 of the member's estimated value plus accrued interest.

5303 (b) State:

5304 1. Where the form described in paragraph (a) must be sent.

5305 2. A date by which the limited liability company must
5306 receive the form, which is at least 40 days but not more than 60
5307 days after the date the appraisal notice and form described in

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5308 this section are sent, and that the member is considered to have
5309 waived the right to demand appraisal with respect to the
5310 membership interests unless the form is received by the limited
5311 liability company by the specified date.

5312 3. In the case of membership interests represented by a
5313 certificate, the location at which certificates for the
5314 certificated membership interests must be deposited, if that
5315 action is required by the limited liability company, and the
5316 date by which those certificates must be deposited, which may
5317 not be earlier than the date for receiving the required form
5318 under subparagraph 2.

5319 4. The limited liability company's estimate of the fair
5320 value of the membership interests.

5321 5. An offer to each member who is entitled to appraisal
5322 rights to pay the limited liability company's estimate of fair
5323 value provided in subparagraph 4.

5324 6. That, if requested in writing, the limited liability
5325 company will provide to the member so requesting, within 10 days
5326 after the date specified in subparagraph 2. the number of
5327 members who return the forms by the specified date and the total
5328 number of membership interests owned by them.

5329 7. The date by which the notice to withdraw under s.
5330 608.966 must be received, which must be within 20 days after the
5331 date specified in subparagraph 2.

5332 8. If not previously provided, accompanied by a copy of s.
5333 608.922 and ss. 608.961-608.972.

5334 608.966 Perfection of rights; right to withdraw.-

5335 (1) A member who receives notice pursuant to s. 608.965 and
5336 wishes to exercise appraisal rights must sign and return the

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5337 form received pursuant to s. 608.965(1) and, in the case of
5338 certificated membership interests and if the limited liability
5339 company so requires, deposit the member's certificates in
5340 accordance with the terms of the notice by the date referred to
5341 in the notice pursuant to s. 608.965(2) (b)2. Once a member
5342 deposits that member's certificates or, in the case of
5343 uncertificated membership interests, returns the signed form
5344 described in s. 608.965(2), the member loses all rights as a
5345 member, unless the member withdraws pursuant to subsection (2).
5346 Upon receiving a demand for payment from a member who holds an
5347 uncertificated membership interest, the limited liability
5348 company shall make an appropriate notation of the demand for
5349 payment in its records and shall restrict the transfer of the
5350 membership interest, or the applicable class or series, from the
5351 date the member delivers the items required by this section.

5352 (2) A member who has complied with subsection (1) may
5353 nevertheless decline to exercise appraisal rights and withdraw
5354 from the appraisal process by so notifying the limited liability
5355 company in writing by the date provided in the appraisal notice
5356 pursuant to s. 608.965(2) (b)7. A member who fails to so withdraw
5357 from the appraisal process may not later withdraw without the
5358 limited liability company's written consent.

5359 (3) A member who does not sign and return the form and, in
5360 the case of certificated membership interests, deposit that
5361 member's certificates, if so required by the limited liability
5362 company, each by the date provided in the notice, is not
5363 entitled to payment under s. 608.922 and ss. 608.961-608.972.

5364 (4) If the member's right to receive fair value is
5365 terminated other than by the purchase of the membership interest

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5366 by the limited liability company, all rights of the member, with
5367 respect to the membership interest, shall be reinstated
5368 effective as of the date the member delivered the items required
5369 in subsection (1), including the right to receive an intervening
5370 payment or other distribution with respect to such membership
5371 interest, or, if any rights have expired or a distribution other
5372 than a cash payment has been completed, in lieu thereof at the
5373 election of the limited liability company, the fair value in
5374 cash as determined by the limited liability company as of the
5375 time of such expiration or completion, but without prejudice
5376 otherwise to any action or proceeding of the limited liability
5377 company that may have been taken by the limited liability
5378 company on or after the date the member delivered the items
5379 required by subsection (1).

5380 608.967 Member's acceptance of limited liability company's
5381 offer.

5382 (1) If the member states on the form provided in s.
5383 608.965(1) that the member accepts the offer of the limited
5384 liability company to pay the limited liability company's
5385 estimated fair value for the membership interest, the limited
5386 liability company shall make the payment to the member within 90
5387 days after the limited liability company's receipt of the items
5388 required by s. 608.966(1).

5389 (2) Upon payment of the agreed value, the member ceases to
5390 have an interest in the membership interest.

5391 608.968 Procedure if member is dissatisfied with offer.—

5392 (1) A member who is dissatisfied with the limited liability
5393 company's offer as provided pursuant to s. 608.965(2) (b) 4. must
5394 notify the limited liability company on the form provided

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5395 pursuant to s. 608.965(1) of the member's estimate of the fair
5396 value of the membership interest and demand payment of that
5397 estimate plus accrued interest.

5398 (2) A member who fails to notify the limited liability
5399 company in writing of the member's demand to be paid the
5400 member's estimate of the fair value plus interest under
5401 subsection (1) within the timeframe provided in s.
5402 608.965(2)(b)2. waives the right to demand payment under this
5403 section and is entitled only to the payment offered by the
5404 limited liability company pursuant to s. 608.965(2)(b)4.

5405 608.969 Court action.—

5406 (1) If a member makes demand for payment under s. 608.968,
5407 which remains unsettled, the limited liability company shall
5408 commence a proceeding within 60 days after receiving the payment
5409 demand and petition the court to determine the fair value of the
5410 membership interest plus accrued interest from the date of the
5411 appraisal event. If the limited liability company does not
5412 commence the proceeding within the 60-day period, a member who
5413 has made a demand pursuant to s. 608.968 may commence the
5414 proceeding in the name of the limited liability company.

5415 (2) The proceeding shall be commenced in the appropriate
5416 court of the county in which the limited liability company's
5417 principal office in this state is located or, if none, the
5418 county in which its registered agent is located. If by virtue of
5419 the appraisal event becoming effective the limited liability
5420 company has become a foreign limited liability company without a
5421 registered agent in this state, the proceeding shall be
5422 commenced in the county in this state in which the principal
5423 office or registered agent of the limited liability company was

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5424 located immediately before the time the appraisal event became
5425 effective.

5426 (3) All members, whether residents of this state, whose
5427 demands remain unsettled shall be made parties to the proceeding
5428 as in an action against their membership interests. The limited
5429 liability company shall serve a copy of the initial pleading in
5430 the proceeding upon each member party who is a resident of this
5431 state in the manner provided by law for the service of a summons
5432 and complaint and upon each nonresident member party by
5433 registered or certified mail or by publication as provided by
5434 law.

5435 (4) The jurisdiction of the court in which the proceeding
5436 is commenced is plenary and exclusive. If it so elects, the
5437 court may appoint one or more persons as appraisers to receive
5438 evidence and recommend a decision on the question of fair value.
5439 The appraisers shall have the powers described in the order
5440 appointing them or in an amendment to the order. The members
5441 demanding appraisal rights are entitled to the same discovery
5442 rights as parties in other civil proceedings. There is no right
5443 to a jury trial.

5444 (5) Each member who is made a party to the proceeding is
5445 entitled to judgment for the amount of the fair value of the
5446 member's membership interests, plus interest, as found by the
5447 court.

5448 (6) The limited liability company shall pay each member the
5449 amount found to be due within 10 days after final determination
5450 of the proceedings. Upon payment of the judgment, the member
5451 ceases to have any interest in the membership interests.

5452 608.97 Court costs and attorney fees.-

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5453 (1) The court in an appraisal proceeding shall determine
5454 all costs of the proceeding, including the reasonable
5455 compensation and expenses of appraisers appointed by the court.
5456 The court shall assess the costs against the limited liability
5457 company, except that the court may assess costs against all or
5458 some of the members demanding appraisal, in amounts the court
5459 finds equitable, to the extent the court finds the members acted
5460 arbitrarily, vexatiously, or not in good faith with respect to
5461 the rights provided by this chapter.

5462 (2) The court in an appraisal proceeding may also assess
5463 the expenses incurred by the respective parties, in amounts the
5464 court finds equitable:

5465 (a) Against the limited liability company and in favor of
5466 any or all members demanding appraisal if the court finds the
5467 limited liability company did not substantially comply with the
5468 requirements of ss. 608.961-608.972; or

5469 (b) Against either the limited liability company or a
5470 member demanding appraisal, in favor of another party, if the
5471 court finds that the party against whom the expenses are
5472 assessed acted arbitrarily, vexatiously, or not in good faith
5473 with respect to the rights provided by this chapter.

5474 (3) If the court, in an appraisal proceeding, finds that
5475 the expenses incurred by any member were of substantial benefit
5476 to other members similarly situated, and that the expenses
5477 should not be assessed against the limited liability company,
5478 the court may direct that the expenses be paid out of the
5479 amounts awarded the members who were benefited.

5480 (4) To the extent the limited liability company fails to
5481 make a required payment pursuant to s. 608.967 or s. 608.969,

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5482 the member may sue directly for the amount owed and, to the
5483 extent successful, is entitled to recover from the limited
5484 liability company all costs and expenses of the suit, including
5485 attorney fees.

5486 608.971 Limitation on limited liability company payment.-

5487 (1) No payment may be made to a member seeking appraisal
5488 rights if, at the time of payment, the limited liability company
5489 is unable to meet the distribution standards of s. 608.7844. In
5490 such event, the member shall, at the member's option:

5491 (a) Withdraw the notice of intent to assert appraisal
5492 rights, which is deemed withdrawn with the consent of the
5493 limited liability company; or

5494 (b) Retain the status as a claimant against the limited
5495 liability company and, if the limited liability company is
5496 liquidated, be subordinated to the rights of creditors of the
5497 limited liability company but have rights superior to the
5498 members not asserting appraisal rights and, if it is not
5499 liquidated, retain the right to be paid for the membership
5500 interest, which right the limited liability company is obliged
5501 to satisfy when the restrictions of this section do not apply.

5502 (2) The member shall exercise the option under paragraph
5503 (1) (a) or paragraph (1) (b) by written notice filed with the
5504 limited liability company within 30 days after the limited
5505 liability company has given written notice that the payment for
5506 the membership interests cannot be made because of the
5507 restrictions of this section. If the member fails to exercise
5508 the option, the member is deemed to have withdrawn the notice of
5509 intent to assert appraisal rights.

5510 608.972 Other remedies limited.-

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5511 (1) The legality of a proposed or completed appraisal event
5512 may not be contested, and the appraisal event may not be
5513 enjoined, set aside, or rescinded, in a legal or equitable
5514 proceeding by a member after the members have approved the
5515 appraisal event.

5516 (2) Subsection (1) does not apply to an appraisal event
5517 that:

5518 (a) Was not authorized and approved in accordance with the
5519 applicable provisions of this chapter, the organic rules of the
5520 limited liability company, or the resolutions of the members
5521 authorizing the appraisal event; or

5522 (b) Was procured as a result of fraud, a material
5523 misrepresentation, or an omission of a material fact necessary
5524 to make statements made, in light of the circumstances in which
5525 they were made, not misleading.

5526 (3) Is an interested transaction, unless it has been
5527 approved in the same manner as is provided in s. 608.7852.

5528 608.975 Uniformity of application and construction.—In
5529 applying and construing this chapter, consideration must be
5530 given to the need to promote uniformity of the law with respect
5531 to the uniform act upon which it is based.

5532 608.976 Relation to Electronic Signatures in Global and
5533 National Commerce Act.—This chapter modifies, limits, and
5534 supersedes the Electronic Signatures in Global and National
5535 Commerce Act, 15 U.S.C. s. 7001 et seq., but does not modify,
5536 limit, or supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c),
5537 or authorize electronic delivery of the notices described in s.
5538 103(b) of that act, 15 U.S.C. s. 7003(b). Notwithstanding the
5539 foregoing, this section and this chapter do not modify, limit,

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5540 or supersede ss. 15.16, 116.34, or 668.50.

5541 608.977 Tax exemption on income of certain limited
5542 liability companies.-

5543 (1) A limited liability company classified as a partnership
5544 for federal income tax purposes, or a single-member limited
5545 liability that is disregarded as an entity separate from its
5546 owner for federal income tax purposes, and organized pursuant to
5547 this chapter or qualified to do business in this state as a
5548 foreign limited liability company is not an artificial entity
5549 within the purview of s. 220.02 and is not subject to the tax
5550 imposed under chapter 220. If a single-member limited liability
5551 company is disregarded as an entity separate from its owner for
5552 federal income tax purposes, its activities are, for purposes of
5553 taxation under chapter 220, treated in the same manner as a sole
5554 proprietorship, branch, or division of the owner.

5555 (2) For purposes of taxation under chapter 220, a limited
5556 liability company formed in this state or a foreign limited
5557 liability company authorized to transact business in this state
5558 shall be classified as a partnership, or a limited liability
5559 company that has only one member shall be disregarded as an
5560 entity separate from its owner for federal income tax purposes,
5561 unless classified otherwise for federal income tax purposes, in
5562 which case the limited liability company shall be classified
5563 identically to its classification for federal income tax
5564 purposes. For purposes of taxation under chapter 220, a member
5565 or a transferee of a member of a limited liability company
5566 formed in this state or a foreign limited liability company
5567 qualified to do business in this state shall be treated as a
5568 resident or nonresident partner unless classified otherwise for

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5569 federal income tax purposes, in which case the member or
5570 transferee of a member has the same status as the member or
5571 transferee of a member has for federal income tax purposes.

5572 (3) Single-member limited liability companies and other
5573 entities that are disregarded for federal income tax purposes
5574 must be treated as separate legal entities for all non-income
5575 tax purposes. The Department of Revenue shall adopt rules to
5576 take into account that single-member disregarded entities such
5577 as limited liability companies and qualified subchapter S
5578 corporations may be disregarded as separate entities for federal
5579 tax purposes and therefore may report and account for income,
5580 employment, and other taxes under the taxpayer identification
5581 number of the owner of the single-member entity.

5582 608.978 Interrogatories by department; other powers of
5583 department.-

5584 (1) The department may direct to a limited liability
5585 company or foreign limited liability company subject to this
5586 chapter, and to a member or manager of a limited liability
5587 company or foreign limited liability company subject to this
5588 chapter, any interrogatories reasonably necessary and proper to
5589 enable the department to ascertain whether the limited liability
5590 company or foreign limited liability company has complied with
5591 all of the provisions of this chapter applicable to the limited
5592 liability company or foreign limited liability company. The
5593 interrogatories must be answered within 30 days after the date
5594 of mailing, or within such additional time as fixed by the
5595 department. The answers to the interrogatories must be full and
5596 complete and must be made in writing and under oath. If the
5597 interrogatories are directed to an individual, they must be

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5598 answered by the individual, and if directed to a limited
5599 liability company or foreign limited liability company, they
5600 must be answered by a manager of a manager-managed company, a
5601 member of a member-managed company, or a fiduciary if the
5602 company is in the hands of a receiver, trustee, or other court-
5603 appointed fiduciary.

5604 (2) The department need not file a record in a court of
5605 competent jurisdiction to which the interrogatories relate until
5606 the interrogatories are answered as provided in this chapter,
5607 and not then if the answers thereto disclose that the record is
5608 not in conformity with the requirements of this chapter or if
5609 the department has determined that the parties to such document
5610 have not paid all fees, taxes, and penalties due and owing this
5611 state. The department shall certify to the Department of Legal
5612 Affairs, for such action as the Department of Legal Affairs may
5613 deem appropriate, all interrogatories and answers that disclose
5614 a violation of this chapter.

5615 (3) The department may, based upon its findings hereunder
5616 or as provided in s. 213.053(15), bring an action in circuit
5617 court to collect any penalties, fees, or taxes determined to be
5618 due and owing the state and to compel any filing, qualification,
5619 or registration required by law. In connection with such
5620 proceeding, the department may, without previous approval by the
5621 court, file a lis pendens against any property owned by the
5622 limited liability company and may further certify any findings
5623 to the Department of Legal Affairs for the initiation of an
5624 action permitted pursuant to this chapter which the Department
5625 of Legal Affairs may deem appropriate.

5626 (4) The department has the power and authority reasonably

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5627 necessary to administer this chapter efficiently, to perform the
5628 duties herein imposed upon it, and to adopt reasonable rules
5629 necessary to carry out its duties and functions under this
5630 chapter.

5631 608.979 Reservation of power to amend or repeal.—The
5632 Legislature has the power to amend or repeal all or part of this
5633 chapter at any time, and all domestic and foreign limited
5634 liability companies subject to this chapter shall be governed by
5635 the amendment or repeal.

5636 608.980 Savings clause.—

5637 (1) Except as provided in subsection (2), the repeal of a
5638 statute by this chapter does not affect:

5639 (a) The operation of the statute or an action taken under
5640 it before its repeal, including, without limiting the generality
5641 of the foregoing, the continuing validity of any provision of
5642 the articles of organization, regulations, or operating
5643 agreements of a limited liability company authorized by the
5644 statute at the time of its adoption.

5645 (b) A ratification, right, remedy, privilege, obligation,
5646 or liability acquired, accrued, or incurred under the statute
5647 before its repeal.

5648 (c) A violation of the statute or a penalty, forfeiture, or
5649 punishment incurred because of the violation, before its repeal.

5650 (d) A proceeding, merger, sale of assets, reorganization,
5651 or dissolution commenced under the statute before its repeal,
5652 and the proceeding, merger, sale of assets, reorganization, or
5653 dissolution may be completed in accordance with the statute as
5654 if it had not been repealed.

5655 (2) If a penalty or punishment imposed for violation of a

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5656 statute is reduced by this chapter, the penalty or punishment if
5657 not already imposed shall be imposed in accordance with this
5658 chapter.

5659 (3) This chapter does not affect an action commenced,
5660 proceeding brought, or right accrued before this chapter takes
5661 effect.

5662 608.981 Application to limited liability company formed
5663 under the Florida Limited Liability Company Act.—For purposes of
5664 applying this chapter to a limited liability company formed
5665 before January 1, 2014, under the Florida Limited Liability
5666 Company Act, ss. 608.401-608.706:

5667 (1) The company's articles of organization are deemed to be
5668 the company's articles of organization under this chapter.

5669 (2) For the purposes of applying s. 608.7802(12) and
5670 subject to s. 608.7812(4), language in the company's articles of
5671 organization designating the company's management structure
5672 operates as if that language were in the operating agreement.

5673 (3) Effective January 1, 2014, all documents, instruments,
5674 and other records submitted to the department must comply with
5675 the filing requirements stipulated by this chapter.

5676 608.982 References to chapter.—Any reference to "this
5677 chapter" contained within this part shall be construed as a
5678 reference to this part only. This section is repealed January 1,
5679 2015.

5680 Section 6. Effective January 1, 2015, section 608.981,
5681 Florida Statutes, as created by this act, is amended to read:

5682 608.981 Application to limited liability company formed
5683 under former ~~the~~ Florida Limited Liability Company Act.—For
5684 purposes of applying this chapter to a limited liability company

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5685 formed before January 1, 2014, under the Florida Limited
5686 Liability Company Act, former ss. 608.401-608.706, Florida
5687 Statutes 2014:

5688 (1) The company's articles of organization are deemed to be
5689 the company's articles of organization under this chapter.

5690 (2) For the purposes of applying s. 608.7802(12) and
5691 subject to s. 608.7812(4), language in the company's articles of
5692 organization designating the company's management structure
5693 operates as if that language were in the operating agreement.

5694 (3) ~~Effective January 1, 2014,~~ All documents, instruments,
5695 and other records submitted to the department must comply with
5696 the filing requirements stipulated by this chapter.

5697 Section 7. Effective January 1, 2015, the Florida Limited
5698 Liability Company Act, part I of chapter 608, Florida Statutes,
5699 consisting of ss. 608.401-608.706, is repealed.

5700 Section 8. If a provision of this chapter or its
5701 application to any person or circumstance is held invalid, the
5702 invalidity does not affect other provisions or applications of
5703 this chapter which can be given effect without the invalid
5704 provision or application, and to this end the provisions of this
5705 chapter are severable.

5706 Section 9. This act shall take effect January 1, 2014.