

By the Committee on Judiciary; and Senator Simmons

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

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

48
49 Be It Enacted by the Legislature of the State of Florida:

50
51 Section 1. The Division of Law Revision and Information is
52 directed to entitle chapter 605, Florida Statutes, as the
53 "Florida Revised Limited Liability Company Act."

54 Section 2. Chapter 605, Florida Statutes, consisting of
55 sections 605.0101-605.1108, Florida Statutes, is created to
56 read:

57 605.0101 Short title.—Sections 605.0101-605.1108 may be
58 cited as the "Florida Revised Limited Liability Company Act."

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59 605.0102 Definitions.—As used in this chapter, the term:

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

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

66 (3) "Articles of conversion" means the articles of
67 conversion required under s. 605.1045. The term includes the
68 articles of conversion as amended or restated.

69 (4) "Articles of domestication" means the articles of
70 domestication required under s. 605.1055. The term includes the
71 articles of domestication as amended or restated.

72 (5) "Articles of interest exchange" means the articles of
73 interest exchange required under s. 605.1035. The term includes
74 the articles of interest exchange as amended or restated.

75 (6) "Articles of merger" means the articles of merger
76 required under s. 605.1025. The term includes the articles of
77 merger as amended or restated.

78 (7) "Articles of organization" means the articles of
79 organization required under s. 605.0201. The term includes the
80 articles of organization as amended or restated.

81 (8) "Authorized representative" means:

82 (a) In the case of the formation of a limited liability
83 company, a person authorized by a prospective member of the
84 limited liability company to form the company by executing and
85 filing its articles of organization with the department.

86 (b) In the case of an existing limited liability company,
87 with respect to the execution and filing of a record with the

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88 department or taking any other action required or authorized
89 under this chapter:

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

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

94 3. An agent or officer of the limited liability company who
95 is granted the authority to do so by such a manager or such a
96 member, pursuant to the operating agreement of the limited
97 liability company or pursuant to s. 605.0709.

98 (c) In the case of a foreign limited liability company or
99 another entity, with respect to the execution and filing of a
100 record with the department or taking any other action required
101 or authorized under this chapter, a person who is authorized to
102 file the record or take the action on behalf of the foreign
103 limited liability company or other entity.

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

107 (10) "Contribution," except in the phrase "right of
108 contribution," means property or a benefit described in s.
109 605.0402 which is provided by a person to a limited liability
110 company to become a member or which is provided in the person's
111 capacity as a member.

112 (11) "Conversion" means a transaction authorized under ss.
113 605.1041-605.1046.

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

116 (13) "Converting entity" means the domestic entity that

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117 approves a plan of conversion pursuant to s. 605.1043 or the
118 foreign entity that approves a conversion pursuant to the
119 organic law of its jurisdiction of formation.

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

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

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

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

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

128 (17) "Distribution" means a transfer of money or other
129 property from a limited liability company to a person on account
130 of a transferable interest or in the person's capacity as a
131 member.

132 (a) The term includes:

133 1. A redemption or other purchase by a limited liability
134 company of a transferable interest.

135 2. A transfer to a member in return for the member's
136 relinquishment of any right to participate as a member in the
137 management or conduct of the company's activities and affairs or
138 a relinquishment of a right to have access to records or other
139 information concerning the company's activities and affairs.

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

144 (18) "Distributional interest" means the right under an
145 unincorporated entity's organic law and organic rules to receive

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146 distributions from the entity.

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

149 (20) "Domesticated limited liability company" means the
150 domesticating entity as it continues in existence after a
151 domestication.

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

155 (22) "Domestication" means a transaction authorized under
156 ss. 605.1051-605.1056.

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

158 1. A business corporation;

159 2. A nonprofit corporation;

160 3. A general partnership, including a limited liability
161 partnership;

162 4. A limited partnership, including a limited liability
163 limited partnership;

164 5. A limited liability company;

165 6. A real estate investment trust; or

166 7. Any other domestic or foreign entity that is organized
167 under an organic law.

168 (b) "Entity" does not include:

169 1. An individual;

170 2. A trust with a predominantly donative purpose or a
171 charitable trust;

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

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175 4. A decedent's estate; or

176 5. A government or a governmental subdivision, agency, or
177 instrumentality.

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

180 (25) "Foreign," with respect to an entity, means an entity
181 whose jurisdiction of formation is a jurisdiction other than
182 this state.

183 (26) "Foreign limited liability company" means an
184 unincorporated entity that was formed in a jurisdiction other
185 than this state and is denominated by that law as a limited
186 liability company.

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

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

192 (b) Vote for or consent to the election of the governors of
193 the entity; or

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

196 (28) "Governor" means:

197 (a) A director of a business corporation;

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

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

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

201 (e) A manager of a manager-managed limited liability
202 company;

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

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204 (g) A director or a trustee of a real estate investment
205 trust; or

206 (h) Any other person under whose authority the powers of an
207 entity are exercised and under whose direction the activities
208 and affairs of the entity are managed pursuant to the organic
209 law and organic rules of the entity.

210 (29) "Interest" means:

211 (a) A share in a business corporation;

212 (b) A membership in a nonprofit corporation;

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

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

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

216 (f) A share or beneficial interest in a real estate
217 investment trust;

218 (g) A member's interest in a limited cooperative
219 association;

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

222 (i) A governance interest or distributional interest in
223 another entity.

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

226 (31) "Interest holder" means:

227 (a) A shareholder of a business corporation;

228 (b) A member of a nonprofit corporation;

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

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

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

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

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233 (g) A shareholder or beneficial owner of a real estate
234 investment trust;

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

237 (i) Another direct holder of an interest.

238 (32) "Interest holder liability" means:

239 (a) Personal liability for a liability of an entity which
240 is imposed on a person:

241 1. Solely by reason of the status of the person as an
242 interest holder; or

243 2. By the organic rules of the entity which make one or
244 more specified interest holders or categories of interest
245 holders liable in their capacity as interest holders for all or
246 specified liabilities of the entity.

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

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

252 (34) "Jurisdiction of formation" means, with respect to an
253 entity:

254 (a) The jurisdiction under whose organic law the entity is
255 formed, incorporated, or created or otherwise comes into being;
256 however, for these purposes, if an entity exists under the law
257 of a jurisdiction different from the jurisdiction under which
258 the entity originally was formed, incorporated, or created or
259 otherwise came into being, then the jurisdiction under which the
260 entity then exists is treated as the jurisdiction of formation;
261 or

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262 (b) In the case of a limited liability partnership or
263 foreign limited liability partnership, the jurisdiction in which
264 the partnership's statement of qualification or equivalent
265 document is filed.

266 (35) "Legal representative" means, with respect to a
267 natural person, the personal representative, executor, guardian,
268 or conservator or any other person who is empowered by
269 applicable law with the authority to act on behalf of the
270 natural person, and, with respect to a person other than a
271 natural person, a person who is empowered by applicable law with
272 the authority to act on behalf of the person.

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

277 (37) "Majority-in-interest" means those members who hold
278 more than 50 percent of the then-current percentage or other
279 interest in the profits of the limited liability company and who
280 have the right to vote; however, as used in ss. 605.1001-
281 605.1072, the term means:

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

288 (b) In the case of a limited liability company having more
289 than one class or series of members, the holders in each class
290 or series of more than 50 percent of the then-current percentage

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291 or other interest in the profits of that class or series who
292 have the right to approve a merger, interest exchange, or
293 conversion under the organic law or the organic rules of the
294 company, unless the company's organic rules provide for the
295 approval of the transaction in a different manner.

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

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

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

304 (a) Is a member of a limited liability company under s.
305 605.0401 or was a member in a company when the company became
306 subject to this chapter; and

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

308 (41) "Member-managed limited liability company" means a
309 limited liability company that is not a manager-managed limited
310 liability company.

311 (42) "Merger" means a transaction authorized under ss.
312 605.1021-605.1026.

313 (43) "Merging entity" means an entity that is a party to a
314 merger and exists immediately before the merger becomes
315 effective.

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

319 (45) "Operating agreement" means an agreement, whether

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320 referred to as an operating agreement or not, which may be oral,
321 implied, in a record, or in any combination thereof, of the
322 members of a limited liability company, including a sole member,
323 concerning the matters described in s. 605.0105(1). The term
324 includes the operating agreement as amended or restated.

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

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

329 (48) "Person" means an individual, business corporation,
330 nonprofit corporation, partnership, limited partnership, limited
331 liability company, limited cooperative association,
332 unincorporated nonprofit association, statutory trust, business
333 trust, common law business trust, estate, trust, association,
334 joint venture, public corporation, government or governmental
335 subdivision, agency, or instrumentality, or another legal or
336 commercial entity.

337 (49) "Plan" means a plan of merger, plan of interest
338 exchange, plan of conversion, or plan of domestication, as
339 appropriate in the particular context.

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

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

344 (52) "Plan of interest exchange" means a plan under s.
345 605.1032 and includes the plan of interest exchange as amended
346 or restated.

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

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349 (54) "Principal office" means the principal executive
350 office of a limited liability company or foreign limited
351 liability company, regardless of whether the office is located
352 in this state.

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

357 (a) The bylaws of a business corporation.

358 (b) The bylaws of a nonprofit corporation.

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

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

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

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

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

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

368 (57) "Protected agreement" means:

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

371 (b) An agreement that is binding on an entity on January 1,
372 2014;

373 (c) The organic rules of an entity in effect on January 1,
374 2014; or

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

377 (58) "Public organic record" means a record, the filing of

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378 which by a governmental body is required to form an entity, and
379 an amendment to or restatement of that record. The term includes
380 the following:

381 (a) The articles of incorporation of a business
382 corporation.

383 (b) The articles of incorporation of a nonprofit
384 corporation.

385 (c) The certificate of limited partnership of a limited
386 partnership.

387 (d) The articles of organization of a limited liability
388 company.

389 (e) The articles of incorporation of a general cooperative
390 association or a limited cooperative association.

391 (f) The certificate of trust of a statutory trust or
392 similar record of a business trust.

393 (g) The articles of incorporation of a real estate
394 investment trust.

395 (59) "Record," if used as a noun, means information that is
396 inscribed on a tangible medium or that is stored in an
397 electronic or other medium and is retrievable in perceivable
398 form.

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

402 (61) "Registered foreign limited liability company" means a
403 foreign limited liability company that has a certificate of
404 authority to transact business in this state pursuant to a
405 record filed with the department.

406 (62) "Sign" means, with present intent to authenticate or

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407 adopt a record:

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

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

412

413 The terms "signed" and "signature" have the corresponding
414 meanings.

415 (63) "State" means a state of the United States, the
416 District of Columbia, Puerto Rico, the United States Virgin
417 Islands, or a territory or insular possession subject to the
418 jurisdiction of the United States.

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

421 (65) "Transfer" includes:

422 (a) An assignment.

423 (b) A conveyance.

424 (c) A sale.

425 (d) A lease.

426 (e) An encumbrance, including a mortgage or security
427 interest.

428 (f) A gift.

429 (g) A transfer by operation of law.

430 (66) "Transferable interest" means the right, as initially
431 owned by a person in the person's capacity as a member, to
432 receive distributions from a limited liability company in
433 accordance with the operating agreement, whether the person
434 remains a member or continues to own a part of the right. The
435 term applies to any fraction of the interest, by whomever owned.

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

440 (68) "Type of entity" means a generic form of entity that
441 is:

442 (a) Recognized at common law; or

443 (b) Formed under an organic law, whether or not some of the
444 entities formed under that organic law are subject to provisions
445 of that law which create different categories of the form of
446 entity.

447 (69) "Writing" means printing, typewriting, electronic
448 communication, or other intentional communication that is
449 reducible to a tangible form. The term "written" has the
450 corresponding meaning.

451 605.0103 Knowledge; notice.—

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

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

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

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

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

459 (b) Is deemed to have notice of the fact under paragraph
460 (4)(b).

461 (3) Subject to s. 605.0210(8), a person notifies another
462 person of a fact by taking steps reasonably required to inform
463 the other person in the ordinary course of events, regardless of
464 whether those steps actually cause the other person to know of

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465 the fact.

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

467 (a) Know of a limitation on authority to transfer real
468 property as provided in s. 605.0302(7); and

469 (b) Have notice of a limited liability company's:

470 1. Dissolution, 90 days after the articles of dissolution
471 filed under s. 605.0707 become effective;

472 2. Termination, 90 days after a statement of termination
473 filed under s. 605.0709(7) becomes effective;

474 3. Participation in a merger, interest exchange,
475 conversion, or domestication, 90 days after the articles of
476 merger, articles of interest exchange, articles of conversion,
477 or articles of domestication under s. 605.1025, s. 605.1035, s.
478 605.1045, or s. 605.1055, respectively, become effective;

479 4. Declaration in its articles of organization that it is
480 manager-managed in accordance with s. 605.0201(3)(a); however,
481 if such a declaration has been added or changed by an amendment
482 or amendment and restatement of the articles of organization,
483 notice of the addition or change may not become effective until
484 90 days after the effective date of such amendment or amendment
485 and restatement; and

486 5. Grant of authority to or limitation imposed on the
487 authority of a person holding a position or having a specified
488 status in a company, or grant of authority to or limitation
489 imposed on the authority of a specific person, if the grant of
490 authority or limitation imposed on the authority is described in
491 the articles of organization in accordance with s.
492 605.0201(3)(d); however, if that description has been added or
493 changed by an amendment or an amendment and restatement of the

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494 articles of organization, notice of the addition or change may
495 not become effective until 90 days after the effective date of
496 such amendment or amendment and restatement.

497 605.0104 Governing law.—The law of this state governs:

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

499 (2) The liability of a member as member, and a manager as
500 manager, for the debts, obligations, or other liabilities of a
501 limited liability company.

502 605.0105 Operating agreement; scope, function, and
503 limitations.—

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

506 (a) Relations among the members as members and between the
507 members and the limited liability company.

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

510 (c) The activities and affairs of the company and the
511 conduct of those activities and affairs.

512 (d) The means and conditions for amending the operating
513 agreement.

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

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

518 (a) Vary a limited liability company's capacity under s.
519 605.0109 to sue and be sued in its own name.

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

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

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- 523 1. Registered agents; or
- 524 2. The department, including provisions pertaining to
525 records authorized or required to be delivered to the department
526 for filing under this chapter.
- 527 (d) Vary the provisions of s. 605.0204.
- 528 (e) Eliminate the duty of loyalty or the duty of care under
529 s. 605.04091, except as otherwise provided in subsection (4).
- 530 (f) Eliminate the obligation of good faith and fair dealing
531 under s. 605.04091, but the operating agreement may prescribe
532 the standards by which the performance of the obligation is to
533 be measured if the standards are not manifestly unreasonable.
- 534 (g) Relieve or exonerate a person from liability for
535 conduct involving bad faith, willful or intentional misconduct,
536 or a knowing violation of law.
- 537 (h) Unreasonably restrict the duties and rights stated in
538 s. 605.0410, but the operating agreement may impose reasonable
539 restrictions on the availability and use of information obtained
540 under that section and may define appropriate remedies,
541 including liquidated damages, for a breach of a reasonable
542 restriction on use.
- 543 (i) Vary the power of a person to dissociate under s.
544 605.0601, except to require that the notice under s. 605.0602(1)
545 be in a record.
- 546 (j) Vary the grounds for dissolution specified in s.
547 605.0702.
- 548 (k) Vary the requirement to wind up the company's business,
549 activities, and affairs as specified in s. 605.0709(1), (2)(a),
550 and (5).
- 551 (l) Unreasonably restrict the right of a member to maintain

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552 an action under ss. 605.0801-605.0806.

553 (m) Vary the provisions of s. 605.0804, but the operating
554 agreement may provide that the company may not appoint a special
555 litigation committee. However, the operating agreement may not
556 prevent a court from appointing a special litigation committee.

557 (n) Vary the right of a member to approve a merger,
558 interest exchange, or conversion under s. 605.1023(1)(b), s.
559 605.1033(1)(b), or s. 605.1043(1)(b), respectively.

560 (o) Vary the required contents of plan of merger under s.
561 605.1022, a plan of interest exchange under s. 605.1032, a plan
562 of conversion under s. 605.1042, or a plan of domestication
563 under s. 605.1052.

564 (p) Except as otherwise provided in ss. 605.0106 and
565 605.0107(2), restrict the rights under this chapter of a person
566 other than a member or manager.

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

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

571 2. A transaction from which the member or manager derived
572 an improper personal benefit.

573 3. A circumstance under which the liability provisions of
574 s. 605.0406 are applicable.

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

579 (4) Subject to paragraph (3)(g), without limiting other
580 terms that may be included in an operating agreement, the

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581 following rules apply:

582 (a) The operating agreement may:

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

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

591 (b) To the extent the operating agreement of a member-
592 managed limited liability company expressly relieves a member of
593 responsibility that the member would otherwise have under this
594 chapter and imposes the responsibility on one or more other
595 members, the operating agreement may, to the benefit of the
596 member that the operating agreement relieves of the
597 responsibility, also eliminate or limit a duty or obligation
598 that would have pertained to the responsibility.

599 (c) If not manifestly unreasonable, the operating agreement
600 may:

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

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

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

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

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

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

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

617 2. The term is an unreasonable means to achieve the
618 provision's objective.

619 (6) An operating agreement may provide for specific
620 penalties or specified consequences, including those described
621 in s. 605.0403(5), if a member or transferee fails to comply
622 with the terms and conditions of the operating agreement or if
623 other events specified in the operating agreement occur.

624 605.0106 Operating agreement; effect on limited liability
625 company and person becoming member; preformation agreement;
626 other matters involving operating agreement.-

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

630 (2) A person who becomes a member of a limited liability
631 company is deemed to assent to, is bound by, and may enforce the
632 operating agreement, regardless of whether the member executes
633 the operating agreement.

634 (3) Two or more persons who intend to become the initial
635 members of a limited liability company may make an agreement
636 providing that, upon the formation of the company, the agreement
637 will become the operating agreement. One person who intends to
638 become the initial member of a limited liability company may

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639 assent to terms that will become the operating agreement upon
640 formation of the company.

641 (4) A manager of a limited liability company or a
642 transferee is bound by the operating agreement, regardless of
643 whether the manager or transferee has agreed to the operating
644 agreement.

645 (5) An operating agreement of a limited liability company
646 that has only one member is not unenforceable simply because
647 there is only one person who is a party to the operating
648 agreement.

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

651 (7) An operating agreement may provide rights to a person,
652 including a person who is not a party to the operating
653 agreement, to the extent provided in the operating agreement.

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

655 (a) May provide that a person be admitted as a member of a
656 limited liability company, become a transferee of a limited
657 liability company interest, or have other rights or powers of a
658 member to the extent assigned:

659 1. If the person or a representative authorized by that
660 person orally, in writing, or by other action such as payment
661 for a limited liability company interest, executes the operating
662 agreement or another record evidencing the intent of the person
663 to become a member or transferee; or

664 2. Without the execution of the operating agreement, if the
665 person or a representative authorized by the person orally, in
666 writing, or by other action such as payment for a limited
667 liability company interest complies with the conditions for

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668 becoming a member or transferee as provided in the operating
669 agreement or another record; and

670 (b) Is not unenforceable by reason of its not being signed
671 by a person being admitted as a member or becoming a transferee
672 as provided in paragraph (a), or by reason of its being signed
673 by a representative as provided in this chapter.

674 605.0107 Operating agreement; effect on third parties and
675 relationship to records effective on behalf of limited liability
676 company.—

677 (1) An operating agreement may specify that its amendment
678 requires the approval of a person who is not a party to the
679 agreement or upon the satisfaction of a condition. An amendment
680 is ineffective if its adoption does not include the required
681 approval or satisfy the specified condition.

682 (2) The obligations of a limited liability company and its
683 members to a person in the person's capacity as a transferee or
684 a person dissociated as a member are governed by the operating
685 agreement. An amendment to the operating agreement made after a
686 person becomes a transferee or is dissociated as a member:

687 (a) Is effective with regard to a debt, obligation, or
688 other liability of the limited liability company or its members
689 to the person in the person's capacity as a transferee or person
690 dissociated as a member; and

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

694 (3) If a record delivered to the department for filing
695 becomes effective under this chapter and contains a provision
696 that would be ineffective under s. 605.0105(3) or (4)(c) if

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697 contained in the operating agreement, the provision is
698 ineffective in the record.

699 (4) Subject to subsection (3), if a record delivered to the
700 department for filing which has become effective under this
701 chapter but conflicts with a provision of the operating
702 agreement:

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

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

707 605.0108 Nature, purpose, and duration of limited liability
708 company.-

709 (1) A limited liability company is an entity distinct from
710 its members.

711 (2) A limited liability company may have any lawful
712 purpose, regardless of whether the company is a for-profit
713 company.

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

715 605.0109 Powers.-A limited liability company has the
716 powers, rights, and privileges granted by this chapter, any
717 other law, or by its operating agreement to do all things
718 necessary or convenient to carry out its activities and affairs,
719 including the power to do all of the following:

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

721 (2) Purchase, receive, lease, or otherwise acquire, own,
722 hold, improve, use, and otherwise deal with real or personal
723 property or any legal or equitable interest in property,
724 wherever located.

725 (3) Sell, convey, mortgage, grant a security interest in,

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726 lease, exchange, and otherwise encumber or dispose of all or a
727 part of its property.

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

732 (5) Make contracts or guarantees or incur liabilities;
733 borrow money; issue notes, bonds, or other obligations, which
734 may be convertible into or include the option to purchase other
735 securities of the limited liability company; or make contracts
736 of guaranty and suretyship which are necessary or convenient to
737 the conduct, promotion, or attainment of the purposes,
738 activities, and affairs of the limited liability company.

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

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

743 (8) Select managers and appoint officers, directors,
744 employees, and agents of the limited liability company, define
745 their duties, fix their compensation, and lend them money and
746 credit.

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

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

753 (11) Be a promoter, incorporator, shareholder, partner,
754 member, associate, or manager of a corporation, partnership,

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755 joint venture, trust, or other entity.

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

759 (13) Enter into interest rate, basis, currency, hedge or
760 other swap agreements, or cap, floor, put, call, option,
761 exchange or collar agreements, derivative agreements, or similar
762 agreements.

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

765 605.0110 Limited liability company property.—

766 (1) All property originally contributed to the limited
767 liability company or subsequently acquired by a limited
768 liability company by purchase or other method is limited
769 liability company property.

770 (2) Property acquired with limited liability company funds
771 is limited liability company property.

772 (3) Instruments and documents providing for the
773 acquisition, mortgage, or disposition of property of the limited
774 liability company are valid and binding upon the limited
775 liability company if they are executed in accordance with this
776 chapter.

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

779 605.0111 Rules of construction and supplemental principles
780 of law.—

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

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784 of ss. 605.0105-605.0107.

785 (2) Unless displaced by particular provisions of this
786 chapter, the principles of law and equity supplement this
787 chapter.

788 605.0112 Name.—

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

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

792 (b) Must be distinguishable in the records of the Division
793 of Corporations of the department from the names of all other
794 entities or filings, except fictitious name registrations
795 pursuant to s. 865.09, organized, registered, or reserved under
796 the laws of this state, which names are on file with the
797 division; however, a limited liability company may register
798 under a name that is not otherwise distinguishable on the
799 records of the division with the written consent of the owner
800 entity, provided the consent is filed with the division at the
801 time of registration of such name;

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

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

810 (2) Subject to s. 605.0905, this section applies to a
811 foreign limited liability company transacting business in this
812 state which has a certificate of authority to transact business

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813 in this state or which has applied for a certificate of
814 authority.

815 (3) In the case of a limited liability company in existence
816 before July 1, 2007, and registered with the department, the
817 requirement in this section that the name of a limited liability
818 company be distinguishable from the names of other entities and
819 filings applies only if the limited liability company files
820 documents on or after July 1, 2007, which would otherwise have
821 affected its name.

822 (4) A limited liability company in existence before January
823 1, 2014, which was registered with the department and is using
824 an abbreviation or designation in its name authorized under
825 previous law, may continue using the abbreviation or designation
826 in its name until it dissolves or amends its name in the records
827 of the department.

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

832 605.0113 Registered agent.-

833 (1) Each limited liability company and each foreign limited
834 liability company that has a certificate of authority under s.
835 605.0902 shall designate and continuously maintain in this
836 state:

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

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

840 1. An individual who resides in this state and whose
841 business address is identical to the address of the registered

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842 office; or

843 2. A foreign or domestic entity authorized to transact
844 business in this state whose business address is identical to
845 the address of the registered office.

846 (2) Each initial registered agent, and each successor
847 registered agent that is appointed, shall file a statement in
848 writing with the department, in the form and manner prescribed
849 by the department, accepting the appointment as registered agent
850 while simultaneously being designated as the registered agent.
851 The statement of acceptance must provide that the registered
852 agent is familiar with and accepts the obligations of that
853 position.

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

855 (a) To forward to the limited liability company or
856 registered foreign limited liability company, at the address
857 most recently supplied to the agent by the company or foreign
858 limited liability company, a process, notice, or demand
859 pertaining to the company or foreign limited liability company
860 which is served on or received by the agent.

861 (b) If the registered agent resigns, to provide the notice
862 required under s. 605.0115(2) to the company or foreign limited
863 liability company at the address most recently supplied to the
864 agent by the company or foreign limited liability company.

865 (4) The department shall maintain an accurate record of the
866 registered agent and registered office for service of process
867 and shall promptly furnish information disclosed thereby upon
868 request and payment of the required fee.

869 (5) A limited liability company and each foreign limited
870 liability company that has a certificate of authority under s.

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871 605.0902 may not prosecute, maintain, or defend an action in a
872 court until the limited liability company complies with this
873 section and pays to the department a penalty of \$5 for each day
874 it has failed to comply or \$500, whichever is less, and pays any
875 other amounts required under this chapter.

876 605.0114 Change of registered agent or registered office.-

877 (1) In order to change its registered agent or registered
878 office address, a limited liability company or a foreign limited
879 liability company may deliver to the department for filing a
880 statement of change containing the following:

881 (a) The name of the limited liability company or foreign
882 limited liability company.

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

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

886 (d) The street address of its current registered office for
887 its registered agent.

888 (e) If the street address of the registered office is to be
889 changed, the new street address of the registered office in this
890 state.

891 (2) If the registered agent is changed, the written
892 acceptance of the successor registered agent described in s.
893 605.0113(2) must also be included in or attached to the
894 statement of change.

895 (3) A statement of change is effective when filed by the
896 department or when authorized under s. 605.0207.

897 (4) The changes described in this section may also be made
898 on the limited liability company's or foreign limited liability
899 company's annual report, in an application for reinstatement

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900 filed with the department under s. 605.0715(1), in an amendment
901 to or restatement of a company's articles of organization in
902 accordance with s. 605.0202, or in an amendment to a foreign
903 limited liability company's certificate of authority in
904 accordance with s. 605.0907.

905 605.0115 Resignation of registered agent.-

906 (1) A registered agent may resign as agent for a limited
907 liability company or foreign limited liability company by
908 delivering for filing to the department a signed statement of
909 resignation containing the name of the limited liability company
910 or foreign limited liability company.

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

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

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

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

920 (4) When a statement of resignation takes effect, the
921 registered agent ceases to have responsibility for a matter
922 thereafter tendered to it as agent for the limited liability
923 company or foreign limited liability company. The resignation
924 does not affect contractual rights that the company or foreign
925 limited liability company has against the agent or that the
926 agent has against the company or foreign limited liability
927 company.

928 (5) A registered agent may resign from a limited liability

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929 company or foreign limited liability company regardless of
930 whether the company or foreign limited liability company has
931 active status.

932 605.0116 Change of name or address by registered agent.-

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

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

938 (b) The name of the agent as currently shown in the records
939 of the department for the company or foreign limited liability
940 company.

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

942 (d) If the address of the agent has changed, the new
943 address.

944 (e) That the registered agent has given the notice required
945 under subsection (2).

946 (2) A registered agent shall promptly furnish notice of the
947 statement of change and the changes made by the statement filed
948 with the department to the represented limited liability company
949 or foreign limited liability company.

950 605.0117 Service of process, notice, or demand.-

951 (1) A limited liability company or registered foreign
952 limited liability company may be served with process, notice, or
953 a demand required or authorized by law by serving on its
954 registered agent.

955 (2) If a limited liability company or registered foreign
956 limited liability company ceases to have a registered agent or
957 if its registered agent cannot with reasonable diligence be

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958 served, the process, notice, or demand required or permitted by
959 law may instead be served:

960 (a) On a member of a member-managed limited liability
961 company or registered foreign limited liability company; or

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

964 (3) If the process, notice, or demand cannot be served on a
965 limited liability company or registered foreign limited
966 liability company pursuant to subsection (1) or subsection (2),
967 the process, notice, or demand may be served on the department
968 as an agent of the company.

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

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

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

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

980 605.0118 Delivery of record.—

981 (1) Except as otherwise provided in this chapter,
982 permissible means of delivery of a record include delivery by
983 hand, the United States Postal Service, a commercial delivery
984 service, and electronic transmission.

985 (2) Except as provided in subsection (3), delivery to the
986 department is effective only when a record is received by the

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987 department.

988 (3) If a check is mailed to the department for payment of
989 an annual report fee or the annual fee required under s.
990 607.193, the check shall be deemed to have been received by the
991 department as of the postmark date appearing on the envelope or
992 package transmitting the check if the envelope or package is
993 received by the department.

994 605.0119 Waiver of notice.—If, pursuant to this chapter or
995 the articles of organization or operating agreement of a limited
996 liability company, notice is required to be given to a member of
997 a limited liability company or to a manager of a limited
998 liability company having a manager or managers, a waiver in
999 writing signed by the person or persons entitled to the notice,
1000 whether made before or after the time for notice to be given, is
1001 equivalent to the giving of notice.

1002 605.0201 Formation of limited liability company; articles
1003 of organization.—

1004 (1) One or more persons may act as authorized
1005 representatives to form a limited liability company by signing
1006 and delivering articles of organization to the department for
1007 filing.

1008 (2) The articles of organization must state the following:

1009 (a) The name of the limited liability company, which must
1010 comply with s. 605.0112.

1011 (b) The street and mailing addresses of the company's
1012 principal office.

1013 (c) The name, street address in this state, and written
1014 acceptance of the company's initial registered agent.

1015 (3) The articles of organization may contain statements on

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1016 matters other than those required under subsection (2), but may
1017 not vary from or otherwise affect the provisions specified in s.
1018 605.0105(3) in a manner inconsistent with that subsection.

1019 Additional statements may include one or more of the following:

1020 (a) A declaration as to whether the limited liability
1021 company is manager-managed for purposes of s. 605.0407 and other
1022 relevant provisions of this chapter.

1023 (b) For a manager-managed limited liability company, the
1024 names and addresses of one or more of the managers of the
1025 company.

1026 (c) For a member-managed limited liability company, the
1027 names and addresses of one or more of the members of the
1028 company.

1029 (d) A description of the authority or limitation on the
1030 authority of a specific person in the company or a person
1031 holding a position or having a specified status in the company.

1032 (e) Any other relevant matters.

1033 (4) A limited liability company is formed when the
1034 company's articles of organization become effective under s.
1035 605.0207 and when at least one person becomes a member at the
1036 time the articles of organization become effective. By signing
1037 the articles of organization, the person who signs the articles
1038 of organization affirms that the company has or will have at
1039 least one member as of the time the articles of organization
1040 become effective.

1041 605.0202 Amendment or restatement of articles of
1042 organization.-

1043 (1) The articles of organization may be amended or restated
1044 at any time.

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1045 (2) To amend the articles of organization, a limited
1046 liability company must deliver to the department for filing an
1047 amendment, designated as such in its heading, which contains the
1048 following:

1049 (a) The present name of the company.

1050 (b) The date of filing of the company's articles of
1051 organization.

1052 (c) The amendment to the articles of organization.

1053 (d) The delayed effective date, as provided under s.
1054 605.0207, if the amendment is not effective on the date the
1055 department files the amendment.

1056 (3) To restate its articles of organization, a limited
1057 liability company must deliver to the department for filing an
1058 instrument, entitled "Restatement of Articles of Organization,"
1059 which contains the following:

1060 (a) The present name of the company.

1061 (b) The date of the filing of its articles of organization.

1062 (c) All of the provisions of its articles of organization
1063 in effect, as restated.

1064 (d) The delayed effective date, as provided under s.
1065 605.0207, if the restatement is not effective on the date the
1066 department files the restatement.

1067 (4) A restatement of the articles of organization of a
1068 limited liability company may also contain one or more
1069 amendments to the articles of organization, in which case the
1070 instrument must be entitled "Amended and Restated Articles of
1071 Organization."

1072 (5) If a member of a member-managed limited liability
1073 company or a manager of a manager-managed limited liability

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1074 company knew that information contained in filed articles of
1075 organization was inaccurate when the articles of organization
1076 were filed or became inaccurate due to changed circumstances,
1077 the member or manager shall promptly:

1078 (a) Cause the articles of organization to be amended; or

1079 (b) If appropriate, deliver to the department for filing a
1080 statement of change under s. 605.0114 or a statement of
1081 correction under s. 605.0209.

1082 605.0203 Signing of records to be delivered for filing to
1083 department.-

1084 (1) A record delivered to the department for filing
1085 pursuant to this chapter must be signed as follows:

1086 (a) Except as otherwise provided in paragraphs (b) and (c),
1087 a record signed on behalf of a limited liability company must be
1088 signed by a person authorized by the company.

1089 (b) A company's initial articles of organization must be
1090 signed by at least one person acting as an authorized
1091 representative. The articles of organization must also include
1092 or have attached a statement signed by the company's initial
1093 registered agent in the form described in s. 605.0113(2).

1094 (c) A record delivered on behalf of a dissolved company
1095 that has no member must be signed by the person winding up the
1096 company's activities and affairs under s. 605.0709(3) or a
1097 person appointed under s. 605.0709(4) or (5) to wind up the
1098 activities and affairs.

1099 (d) A statement of denial by a person under s. 605.0303
1100 must be signed by that person.

1101 (e) A record changing the registered agent must also
1102 include or be accompanied by a statement signed by the successor

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1103 registered agent in the form described in s. 605.0113(2).

1104 (f) Any other record delivered on behalf of a person to the
1105 department must be signed by that person.

1106 (2) A record may also be signed by an agent, legal
1107 representative, or attorney-in-fact, as applicable, if such
1108 person is duly appointed and authorized to sign the record and
1109 the record states that such person possesses that authority.

1110 (3) A person who signs a record as an agent, legal
1111 representative, or attorney-in-fact affirms as a fact that the
1112 person is authorized to sign the record.

1113 605.0204 Signing and filing pursuant to judicial order.—

1114 (1) If a person who is required under this chapter to sign
1115 a record or deliver a record to the department for filing under
1116 this chapter does not do so, another person who is aggrieved may
1117 petition the circuit court to order:

1118 (a) The person to sign the record;

1119 (b) The person to deliver the record to the department for
1120 filing; or

1121 (c) The department to file the record unsigned.

1122 (2) If a petitioner under subsection (1) is not the limited
1123 liability company or foreign limited liability company to which
1124 the record pertains, the petitioner shall make the limited
1125 liability company or foreign limited liability company a party
1126 to the action. The petitioner may seek the remedies provided in
1127 subsection (1) in the same action, in combination or in the
1128 alternative.

1129 (3) A record filed pursuant to paragraph (1)(c) is
1130 effective without being signed.

1131 605.0205 Liability for inaccurate information in filed

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1132 record.—

1133 (1) If a record delivered to the department for filing
1134 under this chapter and filed by the department contains
1135 inaccurate information, a person who suffers a loss by reliance
1136 on such information may recover damages for the loss from:

1137 (a) A person who signed the record, or caused another to
1138 sign it on the person's behalf, and knew the information was
1139 inaccurate at the time the record was signed; and

1140 (b) Subject to subsection (2), a member of a member-managed
1141 limited liability company or a manager of a manager-managed
1142 limited liability company if:

1143 1. The record was delivered for filing on behalf of the
1144 company; and

1145 2. The member or manager had notice of the inaccuracy for a
1146 reasonably sufficient time before the information was relied
1147 upon so that, before the reliance, the member or manager
1148 reasonably could have:

1149 a. Effected an amendment pursuant to s. 605.0202;

1150 b. Filed a petition pursuant to s. 605.0204; or

1151 c. Delivered to the department for filing a statement of
1152 change pursuant to s. 605.0114 or a statement of correction
1153 under s. 605.0209.

1154 (2) To the extent that the operating agreement of a member-
1155 managed limited liability company expressly relieves a member of
1156 responsibility for maintaining the accuracy of information
1157 contained in records delivered on behalf of the company to the
1158 department for filing and imposes that responsibility on one or
1159 more other members, the liability stated in paragraph (1) (b)
1160 applies to those other members and not to the member that the

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1161 operating agreement relieves of the responsibility.

1162 (3) An individual who signs a record authorized or required
1163 to be filed under this chapter affirms under penalty of perjury
1164 that the information stated in the record is accurate.

1165 605.0206 Filing requirements.-

1166 (1) A record authorized or required to be delivered to the
1167 department for filing under this chapter must be captioned to
1168 describe the record's purpose, be in a medium authorized by the
1169 department, and be delivered to the department. If all filing
1170 fees are paid, the department shall file the record unless the
1171 department determines that the record does not comply with the
1172 filing requirements.

1173 (2) Upon request and payment of the applicable fee, the
1174 department shall send to the requester a certified copy of the
1175 requested record.

1176 (3) If the department has prescribed a mandatory medium or
1177 form for the record being filed, the record must be in the
1178 prescribed medium or on the prescribed form.

1179 (4) Except as otherwise provided by the department, a
1180 document to be filed with the department must be typewritten or
1181 printed, legible, and written in the English language. A limited
1182 liability company name does not need to be in English if written
1183 in English letters or Arabic or Roman numerals, and the
1184 certificate of existence required of a foreign limited liability
1185 company does not need to be in English if accompanied by a
1186 reasonably authenticated English translation. The department may
1187 prescribe forms in electronic format which comply with this
1188 chapter. The department may also use electronic transmissions
1189 for the purposes of notice and communication in the performance

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1190 of its duties and may require filers and registrants to furnish
1191 e-mail addresses when presenting a document for filing.

1192 605.0207 Effective date and time.—Except as otherwise
1193 provided in s. 605.0208, and subject to s. 605.0209(3), any
1194 document delivered to the department for filing under this
1195 chapter may specify an effective time and a delayed effective
1196 date. In the case of initial articles of organization, a prior
1197 effective date may be specified in the articles of organization
1198 if such date is within 5 business days before the date of
1199 filing. Subject to ss. 605.0114, 605.0115, 605.0208, and
1200 605.0209, a record filed by the department is effective:

1201 (1) If the record does not specify an effective time and
1202 does not specify a prior or a delayed effective date, on the
1203 date and at the time the record is filed as evidenced by the
1204 department's endorsement of the date and time on the record.

1205 (2) If the record specifies an effective time, but not a
1206 prior or delayed effective date, on the date the record is filed
1207 at the time specified in the record.

1208 (3) If the record specifies a delayed effective date, but
1209 not an effective time, at 12:01 a.m. on the earlier of:

1210 (a) The specified date; or

1211 (b) The 90th day after the record is filed.

1212 (4) If the record is the initial articles of organization
1213 and specifies a date before the effective date, but no effective
1214 time, at 12:01 a.m. on the later of:

1215 (a) The specified date; or

1216 (b) The 5th business day before the record is filed.

1217 (5) If the record is the initial articles of organization
1218 and specifies an effective time and a delayed effective date, at

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- 1219 the specified time on the earlier of:
- 1220 (a) The specified date; or
- 1221 (b) The 90th day after the record is filed.
- 1222 (6) If the record specifies an effective time and a prior
- 1223 effective date, at the specified time on the later of:
- 1224 (a) The specified date; or
- 1225 (b) The 5th business day before the record is filed.
- 1226 605.0208 Withdrawal of filed record before effectiveness.-
- 1227 (1) Except as otherwise provided in ss. 605.1001-605.1072,
- 1228 a record delivered to the department for filing may be withdrawn
- 1229 before it takes effect by delivering to the department for
- 1230 filing a withdrawal statement.
- 1231 (2) A withdrawal statement must:
- 1232 (a) Be signed by each person who signed the record being
- 1233 withdrawn, except as otherwise agreed by those persons;
- 1234 (b) Identify the record to be withdrawn; and
- 1235 (c) If not signed by all the persons who signed the record
- 1236 being withdrawn, state that the record is withdrawn in
- 1237 accordance with the agreement of all the persons who signed the
- 1238 record.
- 1239 (3) On the filing by the department of a withdrawal
- 1240 statement, the action or transaction evidenced by the original
- 1241 record does not take effect.
- 1242 605.0209 Correcting filed record.-
- 1243 (1) A person on whose behalf a filed record was delivered
- 1244 to the department for filing may correct the record if:
- 1245 (a) The record at the time of filing was inaccurate;
- 1246 (b) The record was defectively signed; or
- 1247 (c) The electronic transmission of the record to the

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1248 department was defective.

1249 (2) To correct a filed record, a person on whose behalf the
1250 record was delivered to the department must deliver to the
1251 department for filing a statement of correction.

1252 (3) A statement of correction:

1253 (a) May not state a delayed effective date;

1254 (b) Must be signed by the person correcting the filed
1255 record;

1256 (c) Must identify the filed record to be corrected;

1257 (d) Must specify the inaccuracy or defect to be corrected;

1258 and

1259 (e) Must correct the inaccuracy or defect.

1260 (4) A statement of correction is effective as of the
1261 effective date of the filed record that it corrects, except for
1262 purposes of s. 605.0103(4) and as to persons relying on the
1263 uncorrected filed record and adversely affected by the
1264 correction. For those purposes and as to those persons, the
1265 statement of correction is effective when filed.

1266 605.0210 Duty of department to file; review of refusal to
1267 file; transmission of information by department.—

1268 (1) The department files a document by stamping or
1269 otherwise endorsing the document as "filed," together with the
1270 department's official title and the date and time of receipt.

1271 (2) After filing a record, the department shall deliver an
1272 acknowledgment of the filing or certified copy of the document
1273 to the company or foreign limited liability company or its
1274 authorized representative.

1275 (3) If the department refuses to file a record, the
1276 department shall, within 15 days after the record is delivered:

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- 1277 (a) Return the record or notify the person who submitted
1278 the record of the refusal; and
- 1279 (b) Provide a brief explanation in a record of the reason
1280 for the refusal.
- 1281 (4) If the applicant returns the document with corrections
1282 in accordance with the rules of the department within 60 days
1283 after it was mailed to the applicant by the department and, if
1284 at the time of return, the applicant so requests in writing, the
1285 filing date of the document shall be the filing date that would
1286 have been applied had the original document not been deficient,
1287 except as to persons who relied on the record before correction
1288 and were adversely affected thereby.
- 1289 (5) The department's duty to file documents under this
1290 section is ministerial. Filing or refusing to file a document
1291 does not:
- 1292 (a) Affect the validity or invalidity of the document in
1293 whole or part;
- 1294 (b) Relate to the correctness or incorrectness of
1295 information contained in the document; or
- 1296 (c) Create a presumption that the document is valid or
1297 invalid or that information contained in the document is correct
1298 or incorrect.
- 1299 (6) If not otherwise provided by law and this chapter, the
1300 department shall determine by rule the appropriate format for
1301 any document placed under its jurisdiction, and the number of
1302 copies, manner of execution, method of electronic transmission,
1303 and amount and method of payment of fees for such document.
- 1304 (7) If the department refuses to file a record, the person
1305 who submitted the record may petition the circuit court to

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1306 compel filing of the record. The record and the explanation of
1307 the department of the refusal to file must be attached to the
1308 petition. The court may decide the matter in a summary
1309 proceeding.

1310 (8) Except as otherwise provided under s. 605.0117 or by
1311 any law other than this chapter, the department may deliver a
1312 record to a person by delivering it:

- 1313 (a) In person to the person who submitted it;
1314 (b) To the address of the person's registered agent;
1315 (c) To the principal office of the person; or
1316 (d) To another address that the person provides to the
1317 department for delivery.

1318 605.0211 Certificate of status.—

1319 (1) The department, upon request and payment of the
1320 requisite fee, shall issue a certificate of status for a limited
1321 liability company if the records filed in the department show
1322 that the department has accepted and filed the company's
1323 articles of organization. A certificate of status must state the
1324 following:

- 1325 (a) The company's name.
1326 (b) That the company was organized under the laws of this
1327 state and the date of organization.

1328 (c) Whether all fees due to the department under this
1329 chapter have been paid.

1330 (d) If the company's most recent annual report required
1331 under s. 605.0212 has not been filed by the department.

1332 (e) If the department has administratively dissolved the
1333 company or received a record notifying the department that the
1334 company has been dissolved by judicial action pursuant to s.

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1335 605.0705.

1336 (f) If the department has filed articles of dissolution for
1337 the company.

1338 (g) If the department has accepted and filed a statement of
1339 termination.

1340 (2) The department, upon request and payment of the
1341 requisite fee, shall furnish a certificate of status for a
1342 foreign limited liability company if the records filed show that
1343 the department has filed a certificate of authority. A
1344 certificate of status for a foreign limited liability company
1345 must state the following:

1346 (a) The foreign limited liability company's name and a
1347 current alternate name adopted under s. 605.0906(1) for use in
1348 this state.

1349 (b) That the foreign limited liability company is
1350 authorized to transact business in this state.

1351 (c) Whether all fees and penalties due to the department
1352 under this chapter or other law have been paid.

1353 (d) If the foreign limited liability company's most recent
1354 annual report required under s. 605.0212 has not been filed by
1355 the department.

1356 (e) If the department has:

1357 1. Revoked the foreign limited liability company's
1358 certificate of authority; or

1359 2. Filed a notice of withdrawal of certificate of
1360 authority.

1361 (3) Subject to any qualification stated in the certificate
1362 of status, a certificate of status issued by the department is
1363 conclusive evidence that the limited liability company is in

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1364 existence or the foreign limited liability company is authorized
1365 to transact business in this state.

1366 605.0212 Annual report for department.-

1367 (1) A limited liability company or a registered foreign
1368 limited liability company shall deliver to the department for
1369 filing an annual report that states the following:

1370 (a) The name of the limited liability company or, if a
1371 foreign limited liability company, the name under which the
1372 foreign limited liability company is registered to transact
1373 business in this state.

1374 (b) The street address of its principal office and its
1375 mailing address.

1376 (c) The date of its organization and, if a foreign limited
1377 liability company, the jurisdiction of its formation and the
1378 date on which it became qualified to transact business in this
1379 state.

1380 (d) The company's federal employer identification number
1381 or, if none, whether one has been applied for.

1382 (e) The name, title or capacity, and address of at least
1383 one person who has the authority to manage the company.

1384 (f) Any additional information that is necessary or
1385 appropriate to enable the department to carry out this chapter.

1386 (2) Information in the annual report must be current as of
1387 the date the report is delivered to the department for filing.

1388 (3) The first annual report must be delivered to the
1389 department between January 1 and May 1 of the year following the
1390 calendar year in which the limited liability company's articles
1391 of organization became effective or the foreign limited
1392 liability company obtained a certificate of authority to

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1393 transact business in this state. Subsequent annual reports must
1394 be delivered to the department between January 1 and May 1 of
1395 each calendar year thereafter. If one or more forms of annual
1396 report are submitted for a calendar year, the department shall
1397 file each of them and make the information contained in them
1398 part of the official record. The first form of annual report
1399 filed in a calendar year shall be considered the annual report
1400 for that calendar year, and each report filed after that one in
1401 the same calendar year shall be treated as an amended report for
1402 that calendar year.

1403 (4) If an annual report does not contain the information
1404 required in this section, the department shall promptly notify
1405 the reporting limited liability company or registered foreign
1406 limited liability company. If the report is corrected to contain
1407 the information required in subsection (1) and delivered to the
1408 department within 30 days after the effective date of the
1409 notice, it is timely delivered.

1410 (5) If an annual report contains the name or address of a
1411 registered agent which differs from the information shown in the
1412 records of the department immediately before the annual report
1413 becomes effective, the differing information in the annual
1414 report is considered a statement of change under s. 605.0114.

1415 (6) A limited liability company or foreign limited
1416 liability company that fails to file an annual report that
1417 complies with the requirements of this section may not maintain
1418 or defend any action in a court of this state until the report
1419 is filed and all fees and penalties due under this chapter are
1420 paid, and shall be subject to dissolution or cancellation of its
1421 certificate of authority to transact business as provided in

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1422 this chapter.

1423 (7) The department shall prescribe the forms, which may be
1424 in an electronic format, on which to make the annual report
1425 called for in this section and may substitute the uniform
1426 business report pursuant to s. 606.06 as a means of satisfying
1427 the requirement of this chapter.

1428 (8) As a condition of a merger under s. 605.1021, each
1429 party to a merger which exists under the laws of this state, and
1430 each party to the merger which exists under the laws of another
1431 jurisdiction and has a certificate of authority to transact
1432 business or conduct its affairs in this state, must be active
1433 and current in filing its annual reports in the records of the
1434 department through December 31 of the calendar year in which the
1435 articles of merger are submitted to the department for filing.

1436 (9) As a condition of a conversion of an entity to a
1437 limited liability company under s. 605.1041, the entity, if it
1438 exists under the laws of this state, or if it exists under the
1439 laws of another jurisdiction and has a certificate of authority
1440 to transact business or conduct its affairs in this state, must
1441 be active and current in filing its annual reports in the
1442 records of the department through December 31 of the calendar
1443 year in which the articles of conversion are submitted to the
1444 department for filing.

1445 (10) As a condition of a conversion of a limited liability
1446 company to another type of entity under s. 605.1041, the limited
1447 liability company converting to the other type of entity must be
1448 active and current in filing its annual reports in the records
1449 of the department through December 31 of the calendar year in
1450 which the articles of conversion are submitted to the department

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1451 for filing.

1452 (11) As a condition of an interest exchange between a
1453 limited liability company and another entity under s. 605.1031,
1454 the limited liability company and each other entity that is a
1455 party to the interest exchange which exists under the laws of
1456 this state, and each party to the interest exchange which exists
1457 under the laws of another jurisdiction and has a certificate of
1458 authority to transact business or conduct its affairs in this
1459 state, must be active and current in filing its annual reports
1460 in the records of the department through December 31 of the
1461 calendar year in which the articles of interest exchange are
1462 submitted to the department for filing.

1463 605.0213 Fees of the department.—The fees of the department
1464 under this chapter are as follows:

1465 (1) For furnishing a certified copy, \$30.

1466 (2) For filing original articles of organization, \$100.

1467 (3) For filing articles of merger of limited liability
1468 companies or other business entities, \$25 per constituent party
1469 to the merger, unless a specific fee is required for a party
1470 under other applicable law.

1471 (4) For filing an annual report, \$50, plus the annual fee
1472 imposed pursuant to s. 607.193 in the amount of \$88.75.

1473 (5) For filing an application for reinstatement after an
1474 administrative or judicial dissolution or a revocation of
1475 authority to transact business, \$100.

1476 (6) For designating a registered agent or changing a
1477 registered agent or registered office address, \$25.

1478 (7) For filing a registered agent's statement of
1479 resignation from an active limited liability company, \$85.

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- 1480 (8) For filing a registered agent's statement of
1481 resignation from a dissolved or revoked limited liability
1482 company, \$25.
- 1483 (9) For filing a statement of change of name of registered
1484 agent or change of registered office address, \$25.
- 1485 (10) For filing articles of conversion of a limited
1486 liability company, \$25.
- 1487 (11) For filing articles of domestication, \$25.
- 1488 (12) For furnishing a certificate of status, \$5.
- 1489 (13) For filing restated articles of organization, amended
1490 and restated articles of organization, an amendment to the
1491 articles of organization, or an amendment to a restated or an
1492 amended and restated articles of organization, \$25.
- 1493 (14) For filing an amendment to a certificate of authority,
1494 \$25.
- 1495 (15) For filing a notice of withdrawal of certificate of
1496 authority, \$25.
- 1497 (16) For filing a statement of dissociation, \$25.
- 1498 (17) For filing a manager's statement of resignation, \$25.
- 1499 (18) For filing articles of dissolution, \$25.
- 1500 (19) For filing a statement of revocation of dissolution,
1501 \$100.
- 1502 (20) For filing a statement of termination, \$25.
- 1503 (21) For filing a withdrawal statement, \$25.
- 1504 (22) For filing a statement of authority, \$25.
- 1505 (23) For filing an amendment to a statement of authority,
1506 \$25.
- 1507 (24) For filing a statement of denial, \$25.
- 1508 (25) For filing a cancellation of a statement of authority,

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1509 \$25.

1510 (26) For filing a statement of correction, \$25.

1511 (27) For filing a foreign limited liability company's
1512 application for a certificate of authority to transact business,
1513 \$100.

1514 (28) For filing an amended annual report, \$50.

1515 (29) For filing a withdrawal statement of delivered record
1516 before effectiveness, \$25.

1517 (30) For filing a notice of withdrawal of certificate of
1518 authority, \$25.

1519 (31) For filing any other limited liability company
1520 document or foreign limited liability company document, \$25.

1521 605.0214 Powers of department.—The department has the
1522 authority reasonably necessary to administer this chapter
1523 efficiently, to perform the duties imposed upon it, and to adopt
1524 reasonable rules necessary to carry out its duties and functions
1525 under this chapter.

1526 605.0215 Certificates to be received in evidence and
1527 evidentiary effect of copy of filed document.—All certificates
1528 issued by the department in accordance with this chapter shall
1529 be taken and received in all courts, public offices, and
1530 official bodies as prima facie evidence of the facts stated. A
1531 certificate from the department delivered with a copy of a
1532 document filed by the department is conclusive evidence that the
1533 original document is on file with the department.

1534 605.0216 Statement of dissociation or resignation.—

1535 (1) A member of a limited liability company may file a
1536 statement of dissociation with the department containing the
1537 following:

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- 1538 (a) The name of the limited liability company.
- 1539 (b) The name and signature of the dissociating member.
- 1540 (c) The date the member withdrew or will withdraw.
- 1541 (d) A statement that the company has been notified of the
1542 dissociation in writing.
- 1543 (2) A manager in a manager-managed limited liability
1544 company may file a statement of resignation with the department
1545 containing the following:
- 1546 (a) The name of the limited liability company.
- 1547 (b) The name and signature of the resigning manager.
- 1548 (c) The date the resigning manager resigned or will resign.
- 1549 (d) A statement that the limited liability company has been
1550 notified of the resignation in writing.
- 1551 605.0301 Power to bind limited liability company.—A person
1552 does not have the power to bind a limited liability company,
1553 except to the extent the person:
- 1554 (1) Is an agent of the company by virtue of s. 605.04074;
- 1555 (2) Has the authority to do so under the articles of
1556 organization or operating agreement of the company;
- 1557 (3) Has the authority to do so by a statement of authority
1558 filed under s. 605.0302; or
- 1559 (4) Has the status of an agent of the company or the
1560 authority or power to bind the company under a law other than
1561 this chapter.
- 1562 605.0302 Statement of authority.—
- 1563 (1) A limited liability company may file a statement of
1564 authority. The statement:
- 1565 (a) Must include the name of the company as it appears on
1566 the records of the department, and the street and mailing

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1567 addresses of its principal office;

1568 (b) With respect to a specified status or position of a
1569 person in a company, whether as a member, transferee, manager,
1570 officer, or otherwise, may state the authority or limitations on
1571 the authority of all persons having such status or holding such
1572 position to:

1573 1. Execute an instrument transferring real property held in
1574 the name of the company; or

1575 2. Enter into other transactions on behalf of, or otherwise
1576 act for or bind, the company; and

1577 (c) May state the authority or limitations on the authority
1578 of a specific person to:

1579 1. Execute an instrument transferring real property held in
1580 the name of the company; or

1581 2. Enter into other transactions on behalf of, or otherwise
1582 act for or bind, the company.

1583 (2) To amend or cancel a statement of authority filed by
1584 the department, a limited liability company must deliver to the
1585 department for filing an amendment or cancellation stating the
1586 following:

1587 (a) The name of the company as it appears on the records of
1588 the department.

1589 (b) The street and mailing addresses of the limited
1590 liability company's principal office.

1591 (c) The date the statement being affected became effective.

1592 (d) The contents of the amendment or a declaration that the
1593 affected statement is canceled.

1594 (3) A statement of authority affects only the power of a
1595 person to bind a limited liability company to persons who are

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1596 not members.

1597 (4) Subject to subsection (3) and s. 605.0103(4) and except
1598 as otherwise provided in subsections (6)-(8), a limitation on
1599 the authority of a person or a status or position contained in
1600 an effective statement of authority is not by itself evidence of
1601 knowledge or notice of the limitation.

1602 (5) Subject to subsection (3) and ss. 605.0407-605.04074, a
1603 grant of authority not pertaining to transfers of real property
1604 and contained in an effective statement of authority is
1605 conclusive in favor of a person who gives value in reliance on
1606 the grant, except to the extent that when the person gives
1607 value:

1608 (a) The person has knowledge to the contrary;

1609 (b) The statement has been canceled or restrictively
1610 amended under subsection (2); or

1611 (c) A limitation on the grant is contained in another
1612 statement of authority that became effective after the statement
1613 containing the grant became effective.

1614 (6) Subject to subsection (3), an effective statement of
1615 authority that grants authority to transfer real property held
1616 in the name of the limited liability company, a certified copy
1617 of which statement is recorded in the office for recording
1618 transfers of the real property, is conclusive in favor of a
1619 person who gives value in reliance on the grant without
1620 knowledge to the contrary, except to the extent that when the
1621 person gives value:

1622 (a) The statement has been canceled or restrictively
1623 amended under subsection (2) and a certified copy of the
1624 cancellation or restrictive amendment has been recorded in the

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1625 office for recording transfers of the real property; or

1626 (b) A limitation on the grant is contained in another
1627 statement of authority that became effective after the statement
1628 containing the grant became effective and a certified copy of
1629 the later effective statement is recorded in the office for
1630 recording transfers of the real property.

1631 (7) Subject to subsection (3), if a certified copy of an
1632 effective statement of authority containing a limitation on the
1633 authority to transfer real property held in the name of a
1634 limited liability company is recorded in the office for
1635 recording transfers of that real property, all persons are
1636 deemed to know of the limitation.

1637 (8) Subject to subsection (9), effective articles of
1638 dissolution or termination effectuate a cancellation of a filed
1639 statement of authority for the purposes of subsection (6) and
1640 limit authority for the purposes of subsection (7).

1641 (9) After a company's articles of dissolution become
1642 effective, a limited liability company may deliver to the
1643 department for filing and, if appropriate, may record a
1644 statement of authority in accordance with subsection (1) which
1645 is designated as a post-dissolution statement of authority. The
1646 statement operates as provided in subsections (6) and (7).

1647 (10) Unless earlier canceled, an effective statement of
1648 authority is canceled by operation of law 5 years after the date
1649 on which the statement, or its most recent amendment, becomes
1650 effective. This cancellation operates without need for a
1651 recording under subsection (6) or subsection (7). An effective
1652 statement of denial operates as a restrictive amendment under
1653 this section and may be recorded by certified copy for the

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1654 purposes of paragraph (6) (a).

1655 (11) A statement of dissociation or a statement of
1656 resignation filed pursuant to s. 605.0216 terminates the
1657 authority of the person who filed the statement.

1658 605.0303 Statement of denial.—A person who is named in a
1659 filed statement of authority granting that person authority may
1660 deliver to the department for filing a statement of denial
1661 signed by that person which:

1662 (1) Provides the name of the limited liability company and
1663 the caption of the statement of authority to which the statement
1664 of denial pertains; and

1665 (2) Denies the grant of authority.

1666 605.0304 Liability of members and managers.—

1667 (1) A debt, obligation, or other liability of a limited
1668 liability company is solely the debt, obligation, or other
1669 liability of the company. A member or manager is not personally
1670 liable, directly or indirectly, by way of contribution or
1671 otherwise, for a debt, obligation, or other liability of the
1672 company solely by reason of being or acting as a member or
1673 manager. This subsection applies regardless of the dissolution
1674 of the company.

1675 (2) The failure of a limited liability company to observe
1676 formalities relating to the exercise of its powers or management
1677 of its activities and affairs is not a ground for imposing
1678 liability on a member or manager of the company for a debt,
1679 obligation, or other liability of the company.

1680 (3) The limitation of liability in this section is in
1681 addition to the limitations of liability provided for in s.
1682 605.04093.

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1683 605.0401 Becoming a member.-

1684 (1) If a limited liability company is to have only one
1685 member upon formation, the person becomes a member as agreed by
1686 that person and the authorized representative of the company.
1687 That person and the authorized representative may be, but need
1688 not be, different persons. If different persons, the authorized
1689 representative acts on behalf of the initial member.

1690 (2) If a limited liability company is to have more than one
1691 member upon formation, those persons become members as agreed by
1692 the persons before the formation of the company. The authorized
1693 representative acts on behalf of the persons in forming the
1694 company and may be, but need not be, one of the persons.

1695 (3) After formation of a limited liability company, a
1696 person becomes a member:

1697 (a) As provided in the operating agreement;

1698 (b) As the result of a merger, interest exchange
1699 conversion, or domestication under ss. 605.1001-605.1072, as
1700 applicable;

1701 (c) With the consent of all the members; or

1702 (d) As provided in s. 605.0701(3).

1703 (4) A person may become a member without acquiring a
1704 transferable interest and without making or being obligated to
1705 make a contribution to the limited liability company.

1706 605.0402 Form of contribution.-A contribution may consist
1707 of tangible or intangible property or other benefit to a limited
1708 liability company, including money, services performed,
1709 promissory notes, other agreements to contribute money or
1710 property, and contracts for services to be performed.

1711 605.0403 Liability for contributions.-

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1712 (1) A promise by a person to contribute to the limited
1713 liability company is not enforceable unless it is set out in a
1714 writing signed by the person.

1715 (2) A person's obligation to make a contribution to a
1716 limited liability company is not excused by the person's death,
1717 disability, or other inability to perform personally.

1718 (3) If a person does not fulfill an obligation to make a
1719 contribution other than money, the person is obligated at the
1720 option of the limited liability company to contribute money
1721 equal to the value of the part of the contribution that has not
1722 been made. The foregoing option is in addition to and not in
1723 lieu of other rights, including the right to specific
1724 performance, that the limited liability company may have against
1725 the person under the articles of organization or operating
1726 agreement or applicable law.

1727 (4) The obligation of a person to make a contribution may
1728 be compromised only by consent of all members. If a creditor of
1729 a limited liability company extends credit or otherwise acts in
1730 reliance on an obligation described in subsection (1) without
1731 notice of a compromise under this subsection, the creditor may
1732 enforce the obligation.

1733 (5) An operating agreement may provide that the limited
1734 liability company interest of a member who fails to make a
1735 contribution that the member is obligated to make is subject to
1736 specified penalties for or specified consequences of the
1737 failure. The penalty or consequence may take the form of
1738 reducing or eliminating the defaulting member's proportionate
1739 interest in a limited liability company, subordinating the
1740 defaulting member's limited liability company interest to that

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1741 of nondefaulting members, a forced sale of that limited
1742 liability company interest, forfeiture of the defaulting
1743 member's limited liability company interest, the lending by
1744 other members of the amount necessary to meet the defaulting
1745 member's commitment, a fixing of the value of the defaulting
1746 member's limited liability company interest by appraisal or by
1747 formula and redemption or sale of the defaulting member's
1748 limited liability company interest at such value, or other
1749 penalty or consequence.

1750 605.0404 Sharing of distributions before dissolution and
1751 profits and losses.-

1752 (1) Distributions made by a limited liability company
1753 before its dissolution and winding up must be shared by the
1754 members and persons dissociated as members on the basis of the
1755 agreed value, as stated in the company's records, of the
1756 contributions made by each of members and persons dissociated as
1757 members to the extent that the contributions have been received
1758 by the company, except to the extent necessary to comply with a
1759 transfer effective under s. 605.0502 or charging order in effect
1760 under s. 605.0503.

1761 (2) A person has a right to a distribution before the
1762 dissolution and winding up of a limited liability company only
1763 if the company decides to make an interim distribution. A
1764 person's dissociation does not entitle the person to a
1765 distribution.

1766 (3) A person does not have a right to demand or receive a
1767 distribution from a limited liability company in a form other
1768 than money. Except as otherwise provided in s. 605.0710(4), a
1769 limited liability company may distribute an asset in kind only

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1770 if each part of the asset is fungible with each other part and
1771 each person receives a percentage of the asset equal in value to
1772 the person's share of distributions.

1773 (4) If a member or transferee becomes entitled to receive a
1774 distribution, the member or transferee has the status of and is
1775 entitled to all remedies available to a creditor of the limited
1776 liability company with respect to the distribution.

1777 (5) Profits and losses of a limited liability company must
1778 be allocated among the members and persons dissociated as
1779 members on the basis of the agreed value, as stated in the
1780 company's records, of the contributions made by each of the
1781 members and persons dissociated as members to the extent that
1782 the contributions have been received by the company.

1783 605.0405 Limitations on distributions.—

1784 (1) A limited liability company may not make a
1785 distribution, including a distribution under s. 605.0710, if
1786 after the distribution:

1787 (a) The company would not be able to pay its debts as they
1788 become due in the ordinary course of the company's activities
1789 and affairs; or

1790 (b) The company's total assets would be less than the sum
1791 of its total liabilities, plus the amount that would be needed
1792 if the company were to be dissolved and wound up at the time of
1793 the distribution, to satisfy the preferential rights upon
1794 dissolution and winding up of members and transferees whose
1795 preferential rights are superior to those of persons receiving
1796 the distribution.

1797 (2) A limited liability company may base a determination
1798 that a distribution is not prohibited under subsection (1) on:

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1799 (a) Financial statements prepared on the basis of
1800 accounting practices and principles that are reasonable under
1801 the circumstances; or

1802 (b) A fair valuation or other method that is reasonable
1803 under the circumstances.

1804 (3) Except as otherwise provided in subsection (5), the
1805 effect of a distribution under subsection (1) is measured:

1806 (a) In the case of a distribution by purchase, redemption,
1807 or other acquisition of a transferable interest in the company,
1808 as of the earlier of the date on which:

1809 1. Money or other property is transferred or the debt is
1810 incurred by the company; and

1811 2. The person entitled to distribution ceases to own the
1812 interest or right being acquired by the company in return for
1813 the distribution.

1814 (b) In the case of a distribution of indebtedness, as of
1815 the date on which the indebtedness is distributed.

1816 (c) In all other cases, as of the date on which:

1817 1. The distribution is authorized if the payment occurs
1818 within 120 days after that date; or

1819 2. The payment is made if the payment occurs more than 120
1820 days after the distribution is authorized.

1821 (4) A limited liability company's indebtedness to a member
1822 or transferee incurred by reason of a distribution made in
1823 accordance with this section is at parity with the company's
1824 indebtedness to its general, unsecured creditors, except to the
1825 extent subordinated by agreement.

1826 (5) A limited liability company's indebtedness, including
1827 indebtedness issued as a distribution, is not a liability for

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1828 purposes of subsection (1) if the terms of the indebtedness
1829 provide that payment of principal and interest is made only if
1830 and to the extent that a distribution could then be made under
1831 this section. If the indebtedness is issued as a distribution,
1832 and by its terms provides that the payments of principal and
1833 interest are made only to the extent a distribution could be
1834 made under this section, then each payment of principal or
1835 interest of that indebtedness is treated as a distribution, the
1836 effect of which is measured on the date the payment is actually
1837 made.

1838 (6) In measuring the effect of a distribution under s.
1839 605.0710, the liabilities of a dissolved limited liability
1840 company do not include a claim that is disposed of under ss.
1841 605.0710-605.0713.

1842 605.0406 Liability for improper distributions.-

1843 (1) Except as otherwise provided in subsection (2), if a
1844 member of a member-managed limited liability company or manager
1845 of a manager-managed limited liability company consents to a
1846 distribution made in violation of s. 605.0405 and, in consenting
1847 to the distribution, fails to comply with s. 605.04091, the
1848 member or manager is personally liable to the company for the
1849 amount of the distribution which exceeds the amount that could
1850 have been distributed without the violation of s. 605.0405.

1851 (2) To the extent the operating agreement of a member-
1852 managed limited liability company expressly relieves a member of
1853 the authority and responsibility to consent to distributions and
1854 imposes that authority and responsibility on one or more other
1855 members, the liability in subsection (1) applies to the other
1856 members and not the member that the operating agreement relieves

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1857 of authority and responsibility.

1858 (3) A person who receives a distribution knowing that the
1859 distribution violated s. 605.0405 is personally liable to the
1860 limited liability company, but only to the extent that the
1861 distribution received by the person exceeded the amount that
1862 could have been properly paid under s. 605.0405.

1863 (4) A person against whom an action is commenced because
1864 that person is or may be liable under subsection (1) may:

1865 (a) Implead another person who is or may be liable under
1866 subsection (1) and seek to enforce a right of contribution from
1867 the person; or

1868 (b) Implead a person who received a distribution in
1869 violation of subsection (3) and seek to enforce a right of
1870 contribution from an impleaded person in the amount the person
1871 received in violation of subsection (3).

1872 (5) An action under this section is barred unless commenced
1873 within 2 years after the distribution.

1874 605.0407 Management of limited liability company.—

1875 (1) A limited liability company is a member-managed limited
1876 liability company unless the operating agreement or articles of
1877 organization:

1878 (a) Expressly provide that:

1879 1. The company is or will be manager-managed;

1880 2. The company is or will be managed by managers; or

1881 3. Management of the company is or will be vested in
1882 managers; or

1883 (b) Include words of similar import to those in 1.-3.
1884 except that, unless the context in which the expression is used
1885 otherwise requires, the terms "managing member" and "managing

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1886 members" do not, in and of themselves, constitute words of
1887 similar import for this purpose.

1888 (2) In a member-managed limited liability company, the
1889 management and conduct of the company are vested in the members,
1890 except as expressly provided in this chapter.

1891 (3) In a manager-managed limited liability company, a
1892 matter relating to the activities and affairs of the company is
1893 decided exclusively by the manager, or if there is more than one
1894 manager, by the managers, except as expressly provided in this
1895 chapter.

1896 (4) A member is not entitled to remuneration for services
1897 performed for a member-managed limited liability company, except
1898 for reasonable compensation for services rendered in winding up
1899 the activities and affairs of the company, in the absence of an
1900 agreement to the contrary.

1901 (5) A limited liability company shall reimburse a member
1902 for an advance to the company beyond the amount of capital the
1903 member agreed to contribute.

1904 (6) The dissolution of a limited liability company does not
1905 affect the applicability of ss. 605.0407-605.04074. However, a
1906 person who wrongfully causes dissolution of the company loses
1907 the right to participate in management as a member and a
1908 manager.

1909 605.04071 Delegation of rights and powers to manage.-A
1910 member or manager of a limited liability company has the power
1911 and authority to delegate to one or more other persons the
1912 member's or manager's, as the case may be, rights and powers to
1913 manage and control the business and affairs of the limited
1914 liability company, including the power and authority to delegate

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1915 to agents, boards of managers, members, or directors, officers
1916 and assistant officers, and employees of a member or manager of
1917 the limited liability company, and the power and authority to
1918 delegate by a management agreement or similar agreement with, or
1919 otherwise to other persons. The delegation by a member or
1920 manager will not cause the member or manager to cease to be a
1921 member or manager, as the case may be, of the limited liability
1922 company.

1923 605.04072 Selection and terms of managers in a manager-
1924 managed limited liability company.—In a manager-managed limited
1925 liability company, the following rules apply:

1926 (1) A manager may be chosen at any time by the consent of
1927 the member or members holding more than 50 percent of the then-
1928 current percentage or other interest in the profits of the
1929 limited liability company owned by all of its members.

1930 (2) A person need not be a member to be a manager.

1931 (3) A person chosen as a manager continues as a manager
1932 until a successor is chosen, unless the manager at an earlier
1933 time resigns, is removed, or dies or, in the case of a manager
1934 that is not an individual, terminates.

1935 (4) A manager may be removed at any time without notice or
1936 cause by the consent of the member or members holding more than
1937 50 percent of the then-current percentage or other interest in
1938 the profits of the limited liability company owned by all of its
1939 members.

1940 (5) The dissociation of a member who is also a manager
1941 removes the person as a manager.

1942 (6) If a person who is both a manager and a member ceases
1943 to be a manager, that cessation does not, by itself, dissociate

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1944 the person as a member.

1945 (7) A person's ceasing to be a manager does not discharge a
1946 debt, obligation, or other liability to the limited liability
1947 company or members which the person incurred while a manager.

1948 605.04073 Voting rights of members and managers.-

1949 (1) In a member-managed limited liability company, the
1950 following rules apply:

1951 (a) Each member has the right to vote with respect to the
1952 management and conduct of the company's activities and affairs.

1953 (b) 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 (c) 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, whether within or
1959 outside the ordinary course of the company's activities and
1960 affairs, including a transaction under ss. 605.1001-605.1072.

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

1964 (2) In a manager-managed limited liability company, the
1965 following rules apply:

1966 (a) Each manager has equal rights in the management and
1967 conduct of the company's activities and affairs.

1968 (b) Except as expressly provided in this chapter, a matter
1969 relating to the activities and affairs of the company shall be
1970 decided by the manager; if there is more than one manager, by
1971 the affirmative vote or consent of a majority of the managers;
1972 or if the action is taken without a meeting, by the managers'

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1973 unanimous consent in a record.

1974 (c) Each member's vote is proportionate to that member's
1975 then-current percentage or other interest in the profits of the
1976 limited liability company owned by all members.

1977 (d) Except as otherwise provided in this chapter, the
1978 affirmative vote or consent of a majority-in-interest of the
1979 members is required to undertake an act outside the ordinary
1980 course of the company's activities and affairs, including a
1981 transaction under ss. 605.1001-605.1072.

1982 (e) The operating agreement and articles of organization
1983 may be amended only with the affirmative vote or consent of all
1984 members.

1985 (3) If a member has transferred all or a portion of the
1986 member's transferable interest in the limited liability company
1987 to a person who is not admitted as a member and if the
1988 transferring member has not been dissociated in accordance with
1989 s. 605.0602(5)(b), the transferring member continues to be
1990 entitled to vote on an action reserved to the members, with the
1991 vote of the transferring member being proportionate to the then-
1992 current percentage or other interest in the profits of the
1993 limited liability company owned by all members that the
1994 transferring member would have if the transfer had not occurred.

1995 (4) An action requiring the vote or consent of members
1996 under this chapter may be taken without a meeting, and a member
1997 may appoint a proxy or other agent to vote or consent for the
1998 member by signing an appointing record, personally or by the
1999 member's agent. On an action taken by fewer than all of the
2000 members without a meeting, notice of the action must be given to
2001 those members who did not consent in writing to the action or

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2002 who were not entitled to vote on the action within 10 days after
2003 the action was taken.

2004 (5) An action requiring the vote or consent of managers
2005 under this chapter may be taken without a meeting if the action
2006 is unanimously approved by the managers in a record. A manager
2007 may appoint a proxy or other agent to vote or consent for the
2008 manager by signing an appointing record, personally or by the
2009 manager's agent.

2010 (6) Meetings of members and meetings of managers may be
2011 held by a conference telephone call or other communications
2012 equipment if all persons participating in the meeting can hear
2013 each other. Participation in a meeting pursuant to this
2014 subsection constitutes presence in person at the meeting.

2015 605.04074 Agency rights of members and managers.—

2016 (1) In a member-managed limited liability company, the
2017 following rules apply:

2018 (a) Except as provided in subsection (3), each member is an
2019 agent of the limited liability company for the purpose of its
2020 activities and affairs. An act of a member, including signing an
2021 agreement or instrument of transfer in the name of the company
2022 for apparently carrying on in the ordinary course of the
2023 company's activities and affairs or activities and affairs of
2024 the kind carried on by the company, binds the company unless the
2025 member had no authority to act for the company in the particular
2026 matter and the person with whom the member was dealing knew or
2027 had notice that the member lacked authority.

2028 (b) An act of a member which is not done for apparently
2029 carrying on in the ordinary course of the limited liability
2030 company's activities and affairs or activities and affairs of

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2031 the kind carried on by the company, binds the company only if
2032 the act was authorized by appropriate vote of the members.

2033 (2) In a manager-managed limited liability company, the
2034 following rules apply:

2035 (a) A member is not an agent of the limited liability
2036 company for the purpose of its business solely by reason of
2037 being a member.

2038 (b) Except as provided in subsection (3), each manager is
2039 an agent of the limited liability company for the purpose of its
2040 activities and affairs, and an act of a manager, including
2041 signing an agreement or instrument of transfer in the name of
2042 the company, for apparently carrying on in the ordinary course
2043 of the company's activities and affairs or activities and
2044 affairs of the kind carried on by the company, binds the company
2045 unless the manager had no authority to act for the company in
2046 the particular matter and the person with whom the manager was
2047 dealing knew or had notice that the manager lacked authority.

2048 (c) An act of a manager which is not apparently for
2049 carrying on in the ordinary course of the limited liability
2050 company's activities and affairs or activities and affairs of
2051 the kind carried on by the company, binds the company only if
2052 the act was authorized by appropriate vote of the members.

2053 (3) Unless a certified statement of authority recorded in
2054 the applicable real estate records limits the authority of a
2055 member or a manager, a member of a member-managed company or a
2056 manager of a manager-managed company may sign and deliver an
2057 instrument transferring or affecting the limited liability
2058 company's interest in real property. The instrument is
2059 conclusive in favor of a person who gives value without

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2060 knowledge of the lack of the authority of the person signing and
2061 delivering the instrument.

2062 605.0408 Reimbursement, indemnification, advancement, and
2063 insurance.—

2064 (1) A limited liability company may reimburse a member of a
2065 member-managed company or a manager of a manager-managed company
2066 for any payment made by the member or manager in the course of
2067 the member's or manager's activities on behalf of the company if
2068 the member or manager complied with ss. 605.0407-605.04074, this
2069 section, and s. 605.04091 in making the payment.

2070 (2) A limited liability company may indemnify and hold
2071 harmless a person with respect to a claim or demand against the
2072 person and a debt, obligation, or other liability incurred by
2073 the person by reason of the person's former or present capacity
2074 as a member or manager if the claim, demand, debt, obligation,
2075 or other liability does not arise from the person's breach of s.
2076 605.0405, s. 605.0407, s. 605.04071, s. 605.04072, s. 605.04073,
2077 s. 605.04074, or s. 605.04091.

2078 (3) In the ordinary course of its activities and affairs, a
2079 limited liability company may advance reasonable expenses,
2080 including attorney fees and costs, incurred by a person in
2081 connection with a claim or demand against the person by reason
2082 of the person's former or present capacity as a member or
2083 manager if the person promises to repay the company in the event
2084 that the person ultimately is determined not to be entitled to
2085 be indemnified under subsection (2).

2086 (4) A limited liability company may purchase and maintain
2087 insurance on behalf of a member or manager of the company
2088 against liability asserted against or incurred by the member or

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2089 manager in that capacity or arising from that status even if:

2090 (a) Under s. 605.0105(3)(g) the operating agreement could
2091 not eliminate or limit the person's liability to the company for
2092 the conduct giving rise to the liability; and

2093 (b) Under s. 605.0105(3)(p) the operating agreement could
2094 not provide for indemnification for the conduct giving rise to
2095 the liability.

2096 605.04091 Standards of conduct for members and managers.-

2097 (1) Each manager of a manager-managed limited liability
2098 company and member of a member-managed limited liability company
2099 owes fiduciary duties of loyalty and care to the limited
2100 liability company and members of the limited liability company.

2101 (2) The duty of loyalty is limited to:

2102 (a) Accounting to the limited liability company and holding
2103 as trustee for it any property, profit, or benefit derived by
2104 the manager or member, as applicable:

2105 1. In the conduct or winding up of the company's activities
2106 and affairs;

2107 2. From the use by the member or manager of the company's
2108 property; or

2109 3. From the appropriation of a company opportunity;

2110 (b) Refraining from dealing with the company in the conduct
2111 or winding up of the company's activities and affairs as, or on
2112 behalf of, a person having an interest adverse to the company,
2113 except to the extent that a transaction satisfies the
2114 requirements of this section; and

2115 (c) Refraining from competing with the company in the
2116 conduct of the company's activities and affairs before the
2117 dissolution of the company.

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2118 (3) The duty of care in the conduct or winding up of the
2119 company's activities and affairs is limited to refraining from
2120 engaging in grossly negligent or reckless conduct, willful or
2121 intentional misconduct, or a knowing violation of law.

2122 (4) A manager of a manager-managed limited liability
2123 company and a member of a member-managed limited liability
2124 company shall discharge their duties and obligations under this
2125 chapter or under the operating agreement and exercise any rights
2126 consistently with the obligation of good faith and fair dealing.

2127 (5) A manager of a manager-managed limited liability
2128 company or a member of a member-managed limited liability
2129 company does not violate a duty or obligation under this chapter
2130 or under the operating agreement solely because the manager's or
2131 member's conduct furthers the manager's or member's own
2132 interest.

2133 (6) In discharging his, her, or its duties, a manager of a
2134 manager-managed limited liability company or a member of a
2135 member-managed limited liability company is entitled to rely on
2136 information, opinions, reports, or statements, including
2137 financial statements and other financial data, if prepared or
2138 presented by any of the following:

2139 (a) One or more members or employees of the limited
2140 liability company whom the manager or member reasonably believes
2141 to be reliable and competent in the matters presented.

2142 (b) Legal counsel, public accountants, or other persons as
2143 to matters the manager or member reasonably believes are within
2144 the persons' professional or expert competence.

2145 (c) A committee of managers or members of which the
2146 affected manager or member is not a participant, if the manager

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2147 or member reasonably believes the committee merits confidence.

2148 (7) A manager or member, as applicable, is not acting in
2149 good faith if the manager or member has knowledge concerning the
2150 matter in question which makes reliance otherwise authorized
2151 under subsection (6) unwarranted.

2152 (8) In discharging his, her, or its duties, a manager of a
2153 manager-managed limited liability company or member of a member-
2154 managed limited liability company may consider factors that the
2155 manager or member deems relevant, including the long-term
2156 prospects and interests of the limited liability company and its
2157 members, and the social, economic, legal, or other effects of
2158 any action on the employees, suppliers, and customers of the
2159 limited liability company, the communities and society in which
2160 the limited liability company operates, and the economy of this
2161 state and the nation.

2162 (9) This section applies to a person winding up the limited
2163 liability company activities and affairs as the legal
2164 representative of the last surviving member as if such person
2165 were subject to this section.

2166 605.04092 Conflict of interest transactions.—

2167 (1) As used in this section, the following terms and
2168 definitions apply:

2169 (a) A member or manager is "indirectly" a party to a
2170 transaction if that member or manager has a material financial
2171 interest in or is a director, officer, member, manager, or
2172 partner of a person, other than the limited liability company,
2173 who is a party to the transaction.

2174 (b) A member or manager has an "indirect material financial
2175 interest" if a spouse or other family member has a material

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2176 financial interest in the transaction, other than having an
2177 indirect interest as a member or manager of the limited
2178 liability company, or if the transaction is with an entity,
2179 other than the limited liability company, which has a material
2180 financial interest in the transaction and controls, or is
2181 controlled by, the member or manager or another person specified
2182 in this subsection.

2183 (c) "Fair to the limited liability company" means that the
2184 transaction, as a whole, is beneficial to the limited liability
2185 company and its members, taking into appropriate account whether
2186 it is:

2187 1. Fair in terms of the member's or manager's dealings with
2188 the limited liability company in connection with that
2189 transaction; and

2190 2. Comparable to what might have been obtainable in an
2191 arm's length transaction.

2192 (2) If the requirements of this section have been
2193 satisfied, a transaction between a limited liability company and
2194 one or more of its members or managers, or another entity in
2195 which one or more of the limited liability company's members or
2196 managers have a financial or other interest, is not void or
2197 voidable because of that relationship or interest; because the
2198 members or managers are present at the meeting of the members or
2199 managers at which the transaction was authorized, approved,
2200 effectuated, or ratified; or because the votes of the members or
2201 managers are counted for such purpose.

2202 (3) If a transaction is fair to the limited liability
2203 company at the time it is authorized, approved, effectuated, or
2204 ratified, the fact that a member or manager of the limited

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2205 liability company is directly or indirectly a party to the
2206 transaction, other than being an indirect party as a result of
2207 being a member or manager of the limited liability company, or
2208 has a direct or indirect material financial interest or other
2209 interest in the transaction, other than having an indirect
2210 interest as a result of being a member or manager of the limited
2211 liability company, is not grounds for equitable relief and does
2212 not give rise to an award of damages or other sanctions.

2213 (4) (a) In a proceeding challenging the validity of a
2214 transaction described in subsection (3), the person challenging
2215 the validity has the burden of proving the lack of fairness of
2216 the transaction if:

2217 1. In a manager-managed limited liability company, the
2218 material facts of the transaction and the member's or manager's
2219 interest in the transaction were disclosed or known to the
2220 managers or a committee of managers who voted upon the
2221 transaction and the transaction was authorized, approved, or
2222 ratified by a majority of the disinterested managers even if the
2223 disinterested managers constitute less than a quorum; however,
2224 the transaction cannot be authorized, approved, or ratified
2225 under this subsection solely by a single manager; and

2226 2. In a member-managed limited liability company, or a
2227 manager-managed limited liability company in which the managers
2228 have failed to or cannot act under subparagraph 1., the material
2229 facts of the transaction and the member's or manager's interest
2230 in the transaction were disclosed or known to the members who
2231 voted upon such transaction and the transaction was authorized,
2232 approved, or ratified by a majority-in-interest of the
2233 disinterested members even if the disinterested members

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2234 constitute less than a quorum; however, the transaction cannot
2235 be authorized, approved, or ratified under this subsection
2236 solely by a single member; or

2237 (b) If neither of the conditions provided in paragraph (a)
2238 has been satisfied, the person defending or asserting the
2239 validity of a transaction described in subsection (3) has the
2240 burden of proving its fairness in a proceeding challenging the
2241 validity of the transaction.

2242 (5) The presence of or a vote cast by a manager or member
2243 with an interest in the transaction does not affect the validity
2244 of an action taken under paragraph (4) (a) if the transaction is
2245 otherwise authorized, approved, or ratified as provided in that
2246 subsection, but the presence or vote of the manager or member
2247 may be counted for purposes of determining whether the
2248 transaction is approved under other sections of this chapter.

2249 (6) In addition to other grounds for challenge, a party
2250 challenging the validity of the transaction is not precluded
2251 from asserting and proving that a particular member or manager
2252 was not disinterested on grounds of financial or other interest
2253 for purposes of the vote on, consent to, or approval of the
2254 transaction.

2255 605.04093 Limitation of liability of managers and members.-

2256 (1) A manager in a manager-managed limited liability
2257 company or a member in a member-managed limited liability
2258 company is not personally liable for monetary damages to the
2259 limited liability company, its members, or any other person for
2260 any statement, vote, decision, or failure to act regarding
2261 management or policy decisions by a manager in a manager-managed
2262 limited liability company or a member in a member-managed

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2263 limited liability company unless:

2264 (a) The manager or member breached or failed to perform the
2265 duties as a manager in a manager-managed limited liability
2266 company or a member in a member-managed limited liability
2267 company; and

2268 (b) The manager's or member's breach of, or failure to
2269 perform, those duties constitutes any of the following:

2270 1. A violation of the criminal law unless the manager or
2271 member had a reasonable cause to believe his, her, or its
2272 conduct was lawful or had no reasonable cause to believe such
2273 conduct was unlawful. A judgment or other final adjudication
2274 against a manager or member in any criminal proceeding for a
2275 violation of the criminal law estops that manager or member from
2276 contesting the fact that such breach, or failure to perform,
2277 constitutes a violation of the criminal law, but does not estop
2278 the manager or member from establishing that he, she, or it had
2279 reasonable cause to believe that his, her, or its conduct was
2280 lawful or had no reasonable cause to believe that such conduct
2281 was unlawful.

2282 2. A transaction from which the manager or member derived
2283 an improper personal benefit, directly or indirectly.

2284 3. A distribution in violation of s. 605.0406.

2285 4. In a proceeding by or in the right of the limited
2286 liability company to procure a judgment in its favor or by or in
2287 the right of a member, conscious disregard of the best interest
2288 of the limited liability company, or willful misconduct.

2289 5. In a proceeding by or in the right of someone other than
2290 the limited liability company or a member, recklessness or an
2291 act or omission that was committed in bad faith or with

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2292 malicious purpose or in a manner exhibiting wanton and willful
2293 disregard of human rights, safety, or property.

2294 (2) As used in this section, the term "recklessness" means
2295 acting or failing to act in conscious disregard of a risk known,
2296 or a risk so obvious that it should have been known, to the
2297 manager in a manager-managed limited liability company or the
2298 member in a member-managed limited liability company, and known
2299 to the manager or member, or so obvious that it should have been
2300 known, to be so great as to make it highly probable that harm
2301 would follow from such action or failure to act.

2302 (3) A manager in a manager-managed limited liability
2303 company or a member in a member-managed limited liability
2304 company is deemed not to have derived an improper personal
2305 benefit from any transaction if the transaction has been
2306 approved in the manner as is provided in s. 605.04092 or is fair
2307 to the limited liability company as defined in s.
2308 605.04092(1)(c).

2309 (4) The circumstances set forth in subsection (3) are not
2310 exclusive and do not preclude the existence of other
2311 circumstances under which a manager in a manager-managed limited
2312 liability company or a member in a member-managed limited
2313 liability company will be deemed not to have derived an improper
2314 benefit.

2315 605.0410 Records to be kept; rights of member, manager, and
2316 person dissociated to information.-

2317 (1) A limited liability company shall keep at its principal
2318 office or another location the following records:

2319 (a) A current list of the full names and last known
2320 business, residence, or mailing addresses of each member and

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2321 manager.

2322 (b) A copy of the then-effective operating agreement, if
2323 made in a record, and all amendments thereto if made in a
2324 record.

2325 (c) A copy of the articles of organization, articles of
2326 merger, articles of interest exchange, articles of conversion,
2327 and articles of domestication, and other documents and all
2328 amendments thereto, concerning the limited liability company
2329 which were filed with the department, together with executed
2330 copies of any powers of attorney pursuant to which any articles
2331 of organization or such other documents were executed.

2332 (d) Copies of the limited liability company's federal,
2333 state, and local income tax returns and reports, if any, for the
2334 3 most recent years.

2335 (e) Copies of the financial statements of the limited
2336 liability company, if any, for the 3 most recent years.

2337 (f) Unless contained in an operating agreement made in a
2338 record, a record stating the amount of cash and a description
2339 and statement of the agreed value of the property or other
2340 benefits contributed and agreed to be contributed by each
2341 member, and the times at which or occurrence of events upon
2342 which additional contributions agreed to be made by each member
2343 are to be made.

2344 (2) In a member-managed limited liability company, the
2345 following rules apply:

2346 (a) Upon reasonable notice, a member may inspect and copy
2347 during regular business hours, at a reasonable location
2348 specified by the company:

2349 1. The records described in subsection (1); and

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2350 2. Each other record maintained by the company regarding
2351 the company's activities, affairs, financial condition, and
2352 other circumstances, to the extent the information is material
2353 to the member's rights and duties under the operating agreement
2354 or this chapter.

2355 (b) The company shall furnish to each member:

2356 1. Without demand, any information concerning the company's
2357 activities, affairs, financial condition, and other
2358 circumstances that the company knows and are material to the
2359 proper exercise of the member's rights and duties under the
2360 operating agreement or this chapter, except to the extent the
2361 company can establish that it reasonably believes the member
2362 already knows the information; and

2363 2. On demand, other information concerning the company's
2364 activities, affairs, financial condition, and other
2365 circumstances, except to the extent the demand or information
2366 demand is unreasonable or otherwise improper under the
2367 circumstances.

2368 (c) The duty to furnish information under this subsection
2369 also applies to each member to the extent the member knows any
2370 of the information described in this subsection.

2371 (3) In a manager-managed limited liability company, the
2372 following rules apply:

2373 (a) The informational rights stated in subsection (2) and
2374 the duty stated in paragraph (2)(c) apply to the managers and
2375 not to the members.

2376 (b) During regular business hours and at a reasonable
2377 location specified by the company, a member may inspect and
2378 copy:

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- 2379 1. The records described in subsection (1);
2380 2. Full information regarding the activities, affairs,
2381 financial condition, and other circumstances of the company as
2382 is just and reasonable if:
- 2383 a. The member seeks the information for a purpose
2384 reasonably related to the member's interest as a member; or
2385 b. The member makes a demand in a record received by the
2386 company, describing with reasonable particularity the
2387 information sought and the purpose for seeking the information,
2388 and if the information sought is directly connected to the
2389 member's purpose.
- 2390 (c) Within 10 days after receiving a demand pursuant to
2391 subparagraph (2)(b)2., the company shall, in a record, inform
2392 the member who made the demand of:
- 2393 1. The information that the company will provide in
2394 response to the demand and when and where the company will
2395 provide the information; and
- 2396 2. The company's reasons for declining, if the company
2397 declines to provide any demanded information.
- 2398 (d) If this chapter or an operating agreement provides for
2399 a member to give or withhold consent to a matter, before the
2400 consent is given or withheld, the company shall, without demand,
2401 provide the member with all information that is known to the
2402 company and is material to the member's decision.
- 2403 (4) Subject to subsection (9), on 10 days' demand made in a
2404 record received by a limited liability company, a person
2405 dissociated as a member may have access to information to which
2406 the person was entitled while a member if:
- 2407 (a) The information pertains to the period during which the

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2408 person was a member;

2409 (b) The person seeks the information in good faith; and

2410 (c) The person satisfies the requirements imposed on a
2411 member by paragraph (3) (b).

2412 (5) A limited liability company shall respond to a demand
2413 made pursuant to subsection (4) in the manner provided in
2414 paragraph (3) (c).

2415 (6) A limited liability company may charge a person who
2416 makes a demand under this section the reasonable costs of
2417 copying, which costs are limited to the costs of labor and
2418 materials.

2419 (7) A member or person dissociated as a member may exercise
2420 rights under this section through an agent or, in the case of an
2421 individual under legal disability or an entity that is dissolved
2422 or its existence terminated, through a legal representative. A
2423 restriction or condition imposed by the operating agreement or
2424 under subsection (10) applies both to the agent or legal
2425 representative and the member or person dissociated as a member.

2426 (8) Subject to subsection (9), the rights under this
2427 section do not extend to a person as transferee.

2428 (9) If a member dies, s. 605.0504 applies.

2429 (10) In addition to a restriction or condition stated in
2430 the operating agreement, a limited liability company, as a
2431 matter within the ordinary course of its activities and affairs,
2432 may impose reasonable restrictions and conditions on access to
2433 and use of information to be furnished under this section,
2434 including designating information confidential and imposing
2435 nondisclosure and safeguarding obligations on the recipient. In
2436 a dispute concerning the reasonableness of a restriction under

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2437 this subsection, the company has the burden of proving
2438 reasonableness. This subsection does not apply to the request by
2439 a member for the records described in subsection (1).

2440 605.0411 Court-ordered inspection.-

2441 (1) If a limited liability company does not allow a member,
2442 manager, or other person who complies with s. 605.0410(2)(a),
2443 (3)(a), (3)(b), or (4), as applicable, to inspect and copy any
2444 records required by that section to be available for inspection,
2445 the circuit court in the county where the limited liability
2446 company's principal office is or was last located, as shown by
2447 the records of the department or, if there is no principal
2448 office in this state, where its registered office is or was last
2449 located, may summarily order inspection and copying of the
2450 records demanded, at the limited liability company's expense,
2451 upon application of the member, manager, or other person.

2452 (2) If the court orders inspection or copying of the
2453 records demanded, it shall also order the limited liability
2454 company to pay the costs, including reasonable attorney fees,
2455 reasonably incurred by the member, manager, or other person
2456 seeking the records to obtain the order and enforce its rights
2457 under this section unless the limited liability company proves
2458 that it refused inspection in good faith because the company had
2459 a reasonable basis for doubt about the right of the member,
2460 manager, or such other person to inspect or copy the records
2461 demanded.

2462 (3) If the court orders inspection or copying of the
2463 records demanded, it may impose reasonable restrictions on the
2464 use or distribution of the records by the member, manager, or
2465 other person demanding such records.

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2466 605.0501 Nature of transferable interest.—A transferable
2467 interest is personal property.

2468 605.0502 Transfer of transferable interest.—

2469 (1) Subject to s. 605.0503, a transfer, in whole or in
2470 part, of a transferable interest:

2471 (a) Is permissible;

2472 (b) Does not by itself cause a member's dissociation or a
2473 dissolution and winding up of the limited liability company's
2474 activities and affairs; and

2475 (c) Does not entitle the transferee to:

2476 1. Participate in the management or conduct of the
2477 company's activities and affairs; or

2478 2. Except as otherwise provided in subsection (3), have
2479 access to records or other information concerning the company's
2480 activities and affairs.

2481 (2) A transferee has the right to receive, in accordance
2482 with the transfer, distributions to which the transferor would
2483 otherwise be entitled.

2484 (3) In a dissolution and winding up of a limited liability
2485 company, a transferee is entitled to an account of the company's
2486 transactions only from the date of dissolution.

2487 (4) A transferable interest may be evidenced by a
2488 certificate of the interest issued by the limited liability
2489 company in a record, and, subject to this section, the interest
2490 represented by the certificate may be transferred by a transfer
2491 of the certificate.

2492 (5) A limited liability company need not give effect to a
2493 transferee's rights under this section until the company knows
2494 or has notice of the transfer.

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2495 (6) A transfer of a transferable interest in violation of a
2496 restriction on transfer contained in the operating agreement is
2497 ineffective as to a person who has knowledge or notice of the
2498 restriction at the time of transfer.

2499 (7) Except as otherwise provided in s. 605.0602(5)(b), if a
2500 member transfers a transferable interest, the transferor retains
2501 the rights of a member other than the transferable interest
2502 transferred and retains all the duties and obligations of a
2503 member.

2504 (8) If a member transfers a transferable interest to a
2505 person who becomes a member with respect to the transferred
2506 interest, the transferee is liable for the member's obligations
2507 under ss. 605.0403 and 605.0406(3) which are known to the
2508 transferee at the time the transferee becomes a member.

2509 605.0503 Charging order.—

2510 (1) On application to a court of competent jurisdiction by
2511 a judgment creditor of a member or a transferee, the court may
2512 enter a charging order against the transferable interest of the
2513 member or transferee for payment of the unsatisfied amount of
2514 the judgment with interest. Except as provided in subsection
2515 (5), a charging order constitutes a lien upon a judgment
2516 debtor's transferable interest and requires the limited
2517 liability company to pay over to the judgment creditor a
2518 distribution that would otherwise be paid to the judgment
2519 debtor.

2520 (2) This chapter does not deprive a member or transferee of
2521 the benefit of any exemption law applicable to the transferable
2522 interest of the member or transferee.

2523 (3) Except as provided in subsections (4) and (5), a

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2524 charging order is the sole and exclusive remedy by which a
2525 judgment creditor of a member or member's transferee may satisfy
2526 a judgment from the judgment debtor's interest in a limited
2527 liability company or rights to distributions from the limited
2528 liability company.

2529 (4) In the case of a limited liability company that has
2530 only one member, if a judgment creditor of a member or member's
2531 transferee establishes to the satisfaction of a court of
2532 competent jurisdiction that distributions under a charging order
2533 will not satisfy the judgment within a reasonable time, a
2534 charging order is not the sole and exclusive remedy by which the
2535 judgment creditor may satisfy the judgment against a judgment
2536 debtor who is the sole member of a limited liability company or
2537 the transferee of the sole member, and upon such showing, the
2538 court may order the sale of that interest in the limited
2539 liability company pursuant to a foreclosure sale. A judgment
2540 creditor may make a showing to the court that distributions
2541 under a charging order will not satisfy the judgment within a
2542 reasonable time at any time after the entry of the judgment and
2543 may do so at the same time that the judgment creditor applies
2544 for the entry of a charging order.

2545 (5) If a limited liability company has only one member and
2546 the court orders a foreclosure sale of a judgment debtor's
2547 interest in the limited liability company or of a charging order
2548 lien against the sole member of the limited liability company
2549 pursuant to subsection (4):

2550 (a) The purchaser at the court-ordered foreclosure sale
2551 obtains the member's entire limited liability company interest,
2552 not merely the rights of a transferee;

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2553 (b) The purchaser at the sale becomes the member of the
2554 limited liability company; and

2555 (c) The person whose limited liability company interest is
2556 sold pursuant to the foreclosure sale or is the subject of the
2557 foreclosed charging order ceases to be a member of the limited
2558 liability company.

2559 (6) In the case of a limited liability company that has
2560 more than one member, the remedy of foreclosure on a judgment
2561 debtor's interest in the limited liability company or against
2562 rights to distribution from the limited liability company is not
2563 available to a judgment creditor attempting to satisfy the
2564 judgment and may not be ordered by a court.

2565 (7) This section does not limit any of the following:

2566 (a) The rights of a creditor who has been granted a
2567 consensual security interest in a limited liability company
2568 interest to pursue the remedies available to the secured
2569 creditor under other law applicable to secured creditors.

2570 (b) The principles of law and equity which affect
2571 fraudulent transfers.

2572 (c) The availability of the equitable principles of alter
2573 ego, equitable lien, or constructive trust or other equitable
2574 principles not inconsistent with this section.

2575 (d) The continuing jurisdiction of the court to enforce its
2576 charging order in a manner consistent with this section.

2577 605.0504 Power of legal representative.—If a member who is
2578 an individual dies or a court of competent jurisdiction adjudges
2579 the member to be incompetent to manage the member's person or
2580 property, the member's legal representative may exercise all of
2581 the member's rights for the purpose of settling the member's

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2582 estate or administering the member's property, including any
2583 power the member had to give a transferee the right to become a
2584 member. If a member is a corporation, trust, or other entity and
2585 is dissolved or terminated, the powers of that member may be
2586 exercised by its legal representative.

2587 605.0601 Power to dissociate as member; wrongful
2588 dissociation.—

2589 (1) A person has the power to dissociate as a member at any
2590 time, rightfully or wrongfully, by withdrawing as a member by
2591 express will under s. 605.0602(1).

2592 (2) A person's dissociation as a member is wrongful only if
2593 the dissociation:

2594 (a) Is in breach of an express provision of the operating
2595 agreement; or

2596 (b) Occurs before completion of the winding up of the
2597 company, and:

2598 1. The person withdraws as a member by express will;

2599 2. The person is expelled as a member by judicial order
2600 under s. 605.0602(6);

2601 3. The person is dissociated under s. 605.0602(8); or

2602 4. In the case of a person that is not a trust other than a
2603 business trust, an estate, or an individual, the person is
2604 expelled or otherwise dissociated as a member because it
2605 willfully dissolved or terminated.

2606 (3) A person who wrongfully dissociates as a member is
2607 liable to the limited liability company and, subject to s.
2608 605.0801, to the other members for damages caused by the
2609 dissociation. The liability is in addition to each debt,
2610 obligation, or other liability of the member to the company or

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2611 the other members.

2612 (4) Notwithstanding anything to the contrary under
2613 applicable law, the articles of organization or operating
2614 agreement may provide that a limited liability company interest
2615 may not be assigned before the dissolution and winding up of the
2616 limited liability company.

2617 605.0602 Events causing dissociation.—A person is
2618 dissociated as a member if any of the following occur:

2619 (1) The company has notice of the person's express will to
2620 withdraw as a member, but if the person specified a withdrawal
2621 date later than the date the company had notice, on that later
2622 date.

2623 (2) An event stated in the operating agreement as causing
2624 the person's dissociation occurs.

2625 (3) The person's entire interest is transferred in a
2626 foreclosure sale under s. 605.0503(5).

2627 (4) The person is expelled as a member pursuant to the
2628 operating agreement.

2629 (5) The person is expelled as a member by the unanimous
2630 consent of the other members if any of the following occur:

2631 (a) It is unlawful to carry on the company's activities and
2632 affairs with the person as a member.

2633 (b) There has been a transfer of the person's entire
2634 transferable interest in the company other than:

2635 1. A transfer for security purposes; or

2636 2. A charging order in effect under s. 605.0503 which has
2637 not been foreclosed.

2638 (c) The person is a corporation and:

2639 1. The company notifies the person that it will be expelled

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2640 as a member because the person has filed articles or a
2641 certificate of dissolution or the equivalent, the person has
2642 been administratively dissolved, its charter or equivalent has
2643 been revoked, or the person's right to conduct business has been
2644 suspended by the person's jurisdiction of its formation; and

2645 2. Within 90 days after the notification, the articles or
2646 certificate of dissolution or the equivalent has not been
2647 revoked or its charter or right to conduct business has not been
2648 reinstated.

2649 (d) The person is an unincorporated entity that has been
2650 dissolved and whose business is being wound up.

2651 (6) On application by the company or a member in a direct
2652 action under s. 605.0801, the person is expelled as a member by
2653 judicial order because the person:

2654 (a) Has engaged or is engaging in wrongful conduct that has
2655 affected adversely and materially, or will affect adversely and
2656 materially, the company's activities and affairs;

2657 (b) Has committed willfully or persistently, or is
2658 committing willfully and persistently, a material breach of the
2659 operating agreement or a duty or obligation under s. 605.04091;
2660 or

2661 (c) Has engaged or is engaging in conduct relating to the
2662 company's activities and affairs which makes it not reasonably
2663 practicable to carry on the activities and affairs with the
2664 person as a member.

2665 (7) In the case of an individual:

2666 (a) The individual dies; or

2667 (b) In a member-managed limited liability company:

2668 1. A guardian or general conservator for the individual is

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2669 appointed; or

2670 2. There is a judicial order that the individual has
2671 otherwise become incapable of performing the individual's duties
2672 as a member under this chapter or the operating agreement.

2673 (8) In a member-managed limited liability company, the
2674 person:

2675 (a) Becomes a debtor in bankruptcy;

2676 (b) Executes an assignment for the benefit of creditors; or

2677 (c) Seeks, consents to, or acquiesces in the appointment of
2678 a trustee, receiver, or liquidator of the person or of all or
2679 substantially all the person's property.

2680 (9) In the case of a person that is a testamentary or inter
2681 vivos trust or is acting as a member by virtue of being a
2682 trustee of such a trust, the trust's entire transferable
2683 interest in the company is distributed.

2684 (10) In the case of a person that is an estate or is acting
2685 as a member by virtue of being a legal representative of an
2686 estate, the estate's entire transferable interest in the company
2687 is distributed.

2688 (11) In the case of a person that is not an individual, the
2689 existence of the person terminates.

2690 (12) The company participates in a merger under ss.
2691 605.1021-605.1026 and:

2692 (a) The company is not the surviving entity; or

2693 (b) Otherwise as a result of the merger, the person ceases
2694 to be a member.

2695 (13) The company participates in an interest exchange under
2696 ss. 605.1031-605.1036, and the person ceases to be a member.

2697 (14) The company participates in a conversion under ss.

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2698 605.1041-605.1046, and the person ceases to be member.

2699 (15) The company dissolves and completes winding up.

2700 605.0603 Effect of dissociation.-

2701 (1) If a person is dissociated as a member:

2702 (a) The person's right to participate as a member in the
2703 management and conduct of the company's activities and affairs
2704 terminates;

2705 (b) If the company is member-managed, the person's duties
2706 and obligations under s. 605.04091 as a member end with regard
2707 to matters arising and events occurring after the person's
2708 dissociation; and

2709 (c) Subject to s. 605.0504 and ss. 605.1001-605.1072, a
2710 transferable interest owned by the person in the person's
2711 capacity immediately before dissociation as a member is owned by
2712 the person solely as a transferee.

2713 (2) A person's dissociation as a member does not, of
2714 itself, discharge the person from a debt, obligation, or other
2715 liability to the company or the other members which the person
2716 incurred while a member.

2717 605.0701 Events causing dissolution.-A limited liability
2718 company is dissolved and its activities and affairs must be
2719 wound up upon the occurrence of the following:

2720 (1) An event or circumstance that the operating agreement
2721 states causes dissolution.

2722 (2) The consent of all the members.

2723 (3) The passage of 90 consecutive days during which the
2724 company has no members, unless:

2725 (a) Consent to admit at least one specified person as a
2726 member is given by transferees owning the rights to receive a

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2727 majority of distributions as transferees at the time the consent
2728 is to be effective; and

2729 (b) At least one person becomes a member in accordance with
2730 the consent.

2731 (4) The entry of a decree of judicial dissolution in
2732 accordance with s. 605.0705.

2733 (5) The filing of a statement of administrative dissolution
2734 by the department pursuant to s. 605.0714.

2735 605.0702 Grounds for judicial dissolution.-

2736 (1) A circuit court may dissolve a limited liability
2737 company:

2738 (a) In a proceeding by the Department of Legal Affairs if
2739 it is established that:

2740 1. The limited liability company obtained its articles of
2741 organization through fraud; or

2742 2. The limited liability company has continued to exceed or
2743 abuse the authority conferred upon it by law.

2744

2745 The enumeration in subparagraphs 1. and 2. of grounds for
2746 involuntary dissolution does not exclude actions or special
2747 proceedings by the Department of Legal Affairs or a state
2748 official for the annulment or dissolution of a limited liability
2749 company for other causes as provided in another law of this
2750 state.

2751 (b) In a proceeding by a manager or member if it is
2752 established that:

2753 1. The conduct of all or substantially all of the company's
2754 activities and affairs is unlawful;

2755 2. It is not reasonably practicable to carry on the

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2756 company's activities and affairs in conformity with the articles
2757 of organization and the operating agreement;

2758 3. The managers or members in control of the company have
2759 acted, are acting, or are reasonably expected to act in a manner
2760 that is illegal or fraudulent;

2761 4. The limited liability company's assets are being
2762 misappropriated or wasted, causing injury to the limited
2763 liability company, or in a proceeding by a member, causing
2764 injury to one or more of its members; or

2765 5. The managers or the members of the limited liability
2766 company are deadlocked in the management of the limited
2767 liability company's activities and affairs, the members are
2768 unable to break the deadlock, and irreparable injury to the
2769 limited liability company is threatened or being suffered.

2770 (c) In a proceeding by the limited liability company to
2771 have its voluntary dissolution continued under court
2772 supervision.

2773 (2) If the managers or the members of the limited liability
2774 company are deadlocked in the management of the limited
2775 liability company's activities and affairs, the members are
2776 unable to break the deadlock, and irreparable injury to the
2777 limited liability company is threatened or being suffered, if
2778 the operating agreement contains a deadlock sale provision that
2779 has been initiated before the time that the court determines
2780 that the grounds for judicial dissolution exist under
2781 subparagraph (1)(b)5., then such deadlock sale provision applies
2782 to the resolution of such deadlock instead of the court entering
2783 an order of judicial dissolution or an order directing the
2784 purchase of petitioner's interest under s. 605.0706, so long as

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2785 the provisions of such deadlock sale provision are thereafter
2786 initiated and effectuated in accordance with the terms of such
2787 deadlock sale provision or otherwise pursuant to an agreement of
2788 the members of the company. As used in this section, the term
2789 "deadlock sale provision" means a provision in an operating
2790 agreement which is or may be applicable in the event of a
2791 deadlock among the managers or the members of the limited
2792 liability company which the members of the company are unable to
2793 break and which provides for a deadlock breaking mechanism,
2794 including, but not limited to: a purchase and sale of interests
2795 or a governance change, among or between members; the sale of
2796 all or substantially all of the assets of the company; or a
2797 similar provision that, if initiated and effectuated, breaks the
2798 deadlock by causing the transfer of interests, a governance
2799 change, or the sale of all or substantially all of the company's
2800 assets. A deadlock sale provision in an operating agreement
2801 which is not initiated and effectuated before the court enters
2802 an order of judicial dissolution under subparagraph (1)(b)5. or
2803 an order directing the purchase of petitioner's interest under
2804 s. 605.0706 does not adversely affect the rights of members and
2805 managers to seek judicial dissolution under subparagraph
2806 (1)(b)5. or the rights of the company or one or more members to
2807 purchase the petitioner's interest under s. 605.0706. The filing
2808 of an action for judicial dissolution on the grounds described
2809 in subparagraph (1)(b)5. or an election to purchase the
2810 petitioner's interest under s. 605.0706 does not adversely
2811 affect the right of a member to initiate an available deadlock
2812 sale provision under the operating agreement or to enforce a
2813 member-initiated or an automatically-initiated deadlock sale

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2814 provision if the deadlock sale provision is initiated and
2815 effectuated before the court enters an order of judicial
2816 dissolution under subparagraph (1)(b)5. or an order directing
2817 the purchase of petitioner's interest under s. 605.0706.

2818 605.0703 Procedure for judicial dissolution; alternative
2819 remedies.—

2820 (1) Venue for a proceeding brought under s. 605.0702 lies
2821 in the circuit court of the county where the limited liability
2822 company's principal office is or was last located, as shown by
2823 the records of the department, or, if there is or was no
2824 principal office in this state, in the circuit court of the
2825 county where the company's registered office is or was last
2826 located.

2827 (2) It is not necessary to make members parties to a
2828 proceeding to dissolve a limited liability company unless relief
2829 is sought against such members individually.

2830 (3) A court in a proceeding brought to dissolve a limited
2831 liability company may issue injunctions, appoint a receiver or
2832 custodian pendente lite with all powers and duties the court
2833 directs, take other action required to preserve the limited
2834 liability company's assets wherever located, and carry on the
2835 business of the limited liability company until a full hearing
2836 can be held.

2837 (4) In a proceeding brought under s. 605.0702, the court
2838 may, upon a showing of sufficient merit to warrant such a
2839 remedy:

2840 (a) Appoint a receiver or custodian under s. 605.0704;

2841 (b) Order a purchase of a petitioning member's interest
2842 pursuant to s. 605.0706; or

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2843 (c) Upon a showing of good cause, order another remedy the
2844 court deems appropriate in its discretion, including an
2845 equitable remedy.

2846 (5) Section 57.105 applies to a proceeding brought under s.
2847 605.0702.

2848 605.0704 Receivership or custodianship.—

2849 (1) A court in a judicial proceeding brought to dissolve a
2850 limited liability company may appoint one or more receivers to
2851 wind up and liquidate or one or more custodians to manage the
2852 business and affairs of the limited liability company. The court
2853 shall hold a hearing, after notifying all parties to the
2854 proceeding and an interested person designated by the court,
2855 before appointing a receiver or custodian. The court appointing
2856 a receiver or custodian has exclusive jurisdiction over the
2857 limited liability company and all of its property, wherever
2858 located.

2859 (2) The court may appoint a person authorized to act as a
2860 receiver or custodian. The court may require the receiver or
2861 custodian to post bond, with or without sureties, in an amount
2862 the court directs.

2863 (3) The court shall describe the powers and duties of the
2864 receiver or custodian in its appointing order, which may be
2865 amended. Among other powers:

2866 (a) The receiver :

2867 1. May dispose of all or a part of the assets of the
2868 limited liability company wherever located, at a public or
2869 private sale, if authorized by the court; and

2870 2. May sue and defend in the receiver's own name, as
2871 receiver of the limited liability company, in all courts of this

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2872 state; and

2873 (b) The custodian may exercise all of the powers of the
2874 limited liability company, through or in place of its managers
2875 or members, to the extent necessary to manage the activities and
2876 affairs of the limited liability company in the best interest of
2877 its members and creditors.

2878 (4) During a receivership, the court may redesignate the
2879 receiver as a custodian and, during a custodianship, may
2880 redesignate the custodian as a receiver if doing so is in the
2881 best interests of the limited liability company and its members
2882 and creditors.

2883 (5) During the receivership or custodianship the court may
2884 order compensation paid and expense disbursements or
2885 reimbursements made to the receiver or custodian and the
2886 receiver's or custodian's counsel from the assets of the limited
2887 liability company or proceeds from the sale of part or all of
2888 those assets.

2889 (6) The court has jurisdiction to appoint an ancillary
2890 receiver for the assets and business of a limited liability
2891 company. The ancillary receiver shall serve ancillary to a
2892 receiver located in another state if the court deems that
2893 circumstances exist requiring the appointment of such a
2894 receiver. The court may appoint a receiver for a foreign limited
2895 liability company even though a receiver has not been appointed
2896 elsewhere. The receivership shall be converted into an ancillary
2897 receivership if an order entered by a court of competent
2898 jurisdiction in the other state provides for a receivership of
2899 the foreign limited liability company.

2900 605.0705 Decree of dissolution.-

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2901 (1) If, after a hearing, the court determines that one or
2902 more grounds for judicial dissolution described in s. 605.0702
2903 exist, the court may enter a decree dissolving the limited
2904 liability company and specifying the effective date of the
2905 dissolution, and the clerk of the court shall deliver a
2906 certified copy of the decree to the department, which shall file
2907 the decree.

2908 (2) After entering the decree of dissolution, the court
2909 shall direct the winding up and liquidation of the limited
2910 liability company's activities and affairs in accordance with
2911 ss. 605.0709-605.0713, subject to subsection (3).

2912 (3) In a proceeding for judicial dissolution, the court may
2913 require all creditors of the limited liability company to file
2914 with the clerk of the court or with the receiver, in a form as
2915 the court may prescribe, proofs under oath of their respective
2916 claims. If the court requires the filing of claims, the court
2917 shall fix a date, which may not be earlier than 4 months after
2918 the date of the order, as the last day for filing claims. The
2919 court shall prescribe the deadline for filing claims which shall
2920 be given to creditors and claimants. Before the date so fixed,
2921 the court may extend the time for the filing of claims by court
2922 order. Creditors and claimants failing to file proofs of claim
2923 on or before the date so fixed may be barred, by order of court,
2924 from participating in the distribution of the assets of the
2925 limited liability company. This section does not affect the
2926 enforceability of a recorded mortgage or lien or the perfected
2927 security interest or rights of a person in possession of real or
2928 personal property.

2929 605.0706 Election to purchase instead of dissolution.-

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2930 (1) In a proceeding initiated by a member of a limited
2931 liability company under s. 605.0702(1)(b) to dissolve the
2932 company, the company may elect, or, if it fails to elect, one or
2933 more other members may elect, to purchase the entire interest of
2934 the petitioner in the company at the fair value of the interest.
2935 An election pursuant to this section is irrevocable unless the
2936 court determines that it is equitable to set aside or modify the
2937 election.

2938 (2) An election to purchase pursuant to this section may be
2939 filed with the court within 90 days after the filing of the
2940 petition by the petitioning member under s. 605.0702(1)(b) or
2941 (2) or at such later time as the court may allow. If the
2942 election to purchase is filed, the company shall within 10 days
2943 thereafter, give written notice to all members, other than the
2944 petitioning member. The notice must describe the interest in the
2945 company owned by each petitioning member and must advise the
2946 recipients of their right to join in the election to purchase
2947 the petitioning member's interest in accordance with this
2948 section. Members who wish to participate must file notice of
2949 their intention to join in the purchase within 30 days after the
2950 effective date of the notice. A member who has filed an election
2951 or notice of the intent to participate in the election to
2952 purchase thereby becomes a party to the proceeding and shall
2953 participate in the purchase in proportion to the ownership
2954 interest as of the date the first election was filed unless the
2955 members otherwise agree or the court otherwise directs. After an
2956 election to purchase has been filed by the limited liability
2957 company or one or more members, the proceeding under s.
2958 605.0702(1)(b) or (2) may not be discontinued or settled, and

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2959 the petitioning member may not sell or otherwise dispose of
2960 interest of the petitioner in the company unless the court
2961 determines that it would be equitable to the company and the
2962 members, other than the petitioner, to authorize such
2963 discontinuance, settlement, sale, or other disposition or the
2964 sale is pursuant to a deadlock sale provision described in s.
2965 605.0702(1)(b).

2966 (3) If, within 60 days after the filing of the first
2967 election, the parties reach an agreement as to the fair value
2968 and terms of the purchase of the petitioner's interest, the
2969 court shall enter an order directing the purchase of the
2970 petitioner's interest upon the terms and conditions agreed to by
2971 the parties, unless the petitioner's interest has been acquired
2972 pursuant to a deadlock sale provision before the order.

2973 (4) If the parties are unable to reach an agreement as
2974 provided for in subsection (3), the court, upon application of a
2975 party, shall stay the proceedings and determine the fair value
2976 of the petitioner's interest as of the day before the date on
2977 which the petition was filed or as of such other date as the
2978 court deems appropriate under the circumstances.

2979 (5) Upon determining the fair value of the petitioner's
2980 interest in the company, unless the petitioner's interest has
2981 been acquired pursuant to a deadlock sale provision before the
2982 order, the court shall enter an order directing the purchase
2983 upon such terms and conditions as the court deems appropriate,
2984 which may include: payment of the purchase price in
2985 installments, when necessary in the interests of equity; a
2986 provision for security to ensure payment of the purchase price
2987 and additional costs, fees, and expenses as may have been

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2988 awarded; and, if the interest is to be purchased by members, the
2989 allocation of the interest among those members. In allocating
2990 petitioner's interest among holders of different classes or
2991 series of interests in the company, the court shall attempt to
2992 preserve the existing distribution of voting rights among
2993 holders of different classes insofar as practicable and may
2994 direct that holders of a specific class or classes or series not
2995 participate in the purchase. Interest may be allowed at the rate
2996 and from the date determined by the court to be equitable;
2997 however, if the court finds that the refusal of the petitioning
2998 member to accept an offer of payment was arbitrary or otherwise
2999 not in good faith, payment of interest is not allowed. If the
3000 court finds that the petitioning member had probable grounds for
3001 relief under s. 605.0702(1)(b)3. or 4., it may award to the
3002 petitioning member reasonable fees and expenses of counsel and
3003 of experts employed by petitioner.

3004 (6) Upon entry of an order under subsection (3) or
3005 subsection (5), the court shall dismiss the petition to dissolve
3006 the limited liability company, and the petitioning member shall
3007 no longer have rights or status as a member of the limited
3008 liability company except the right to receive the amounts
3009 awarded by the order of the court, which shall be enforceable in
3010 the same manner as any other judgment.

3011 (7) The purchase ordered pursuant to subsection (5) must be
3012 made within 10 days after the date the order becomes final
3013 unless, before that time, the limited liability company files
3014 with the court a notice of its intention to dissolve pursuant to
3015 s. 605.0701(2), in which case articles of dissolution for the
3016 company must be filed within 50 days thereafter. Upon filing of

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3017 such articles of dissolution, the limited liability company
3018 shall be wound up in accordance with ss. 605.0709-605.0713, and
3019 the order entered pursuant to subsection (5) shall no longer be
3020 of force or effect except that the court may award the
3021 petitioning member reasonable fees and expenses of counsel and
3022 experts in accordance with subsection (5), and the petitioner
3023 may continue to pursue any claims previously asserted on behalf
3024 of the limited liability company.

3025 (8) A payment by the limited liability company pursuant to
3026 an order under subsection (3) or subsection (5), other than an
3027 award of fees and expenses pursuant to subsection (5), is
3028 subject to s. 605.0405.

3029 605.0707 Articles of dissolution; filing of articles of
3030 dissolution.-

3031 (1) Upon the occurrence of an event described in s.
3032 605.0701(1)-(3), the limited liability company shall deliver for
3033 filing articles of dissolution as provided in this section.

3034 (2) The articles of dissolution must state the following:

3035 (a) The name of the limited liability company.

3036 (b) The delayed effective date of the limited liability
3037 company's dissolution if the dissolution is not to be effective
3038 on the date the articles of dissolution are filed by the
3039 department.

3040 (c) The occurrence that resulted in the limited liability
3041 company's dissolution.

3042 (d) If there are no members, the name, address, and
3043 signature of the person appointed in accordance with this
3044 subsection to wind up the company.

3045 (3) The articles of dissolution of the limited liability

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3046 company shall be delivered to the department. If the department
3047 finds that the articles of dissolution conform to law, it shall,
3048 when all fees have been paid as prescribed in this chapter, file
3049 the articles of dissolution and issue a certificate of
3050 dissolution.

3051 (4) Upon the filing of the articles of dissolution, the
3052 limited liability company shall cease conducting its business
3053 and shall continue solely for the purpose of winding up its
3054 affairs in accordance with s. 605.0709, except for the purpose
3055 of lawsuits, other proceedings, and appropriate action as
3056 provided in this chapter.

3057 605.0708 Revocation of articles of dissolution.-

3058 (1) A limited liability company that has dissolved as the
3059 result of an event described in s. 605.0701(1)-(3) and filed
3060 articles of dissolution with the department, but has not filed a
3061 statement of termination which has become effective, may revoke
3062 its dissolution at any time before 120 days after the effective
3063 date of its articles of dissolution.

3064 (2) The revocation of the dissolution shall be authorized
3065 in the same manner as the dissolution was authorized.

3066 (3) After the revocation of dissolution is authorized, the
3067 limited liability company shall deliver a statement of
3068 revocation of dissolution to the department for filing, together
3069 with a copy of its articles of dissolution, which must include
3070 the following:

3071 (a) The name of the limited liability company.

3072 (b) The effective date of the dissolution which was
3073 revoked.

3074 (c) The date that the statement of revocation of

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3075 dissolution was authorized.

3076 (4) If there has been substantial compliance with
3077 subsection (3), the revocation of dissolution is effective when
3078 the department files the statement of revocation of dissolution.

3079 (5) When the revocation of dissolution becomes effective:

3080 (a) The company resumes carrying on its activities and
3081 affairs as if dissolution had never occurred;

3082 (b) Subject to paragraph (c), a liability incurred by the
3083 company after the dissolution and before the revocation is
3084 effective is determined as if dissolution had never occurred;
3085 and

3086 (c) The rights of a third party arising out of conduct in
3087 reliance on the dissolution before the third party knew or had
3088 notice of the revocation may not be adversely affected.

3089 605.0709 Winding up.—

3090 (1) A dissolved limited liability company shall wind up its
3091 activities and affairs and, except as otherwise provided in ss.
3092 605.0708 and 605.0715, the company continues after dissolution
3093 only for the purpose of winding up.

3094 (2) In winding up its activities and affairs, a limited
3095 liability company:

3096 (a) Shall discharge or make provision for the company's
3097 debts, obligations, and other liabilities as provided in ss.
3098 605.0710-605.0713, settle and close the company's activities and
3099 affairs, and marshal and distribute the assets of the company;
3100 and

3101 (b) May:

3102 1. Preserve the company's activities, affairs, and property
3103 as a going concern for a reasonable time;

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3104 2. Prosecute and defend actions and proceedings, whether
3105 civil, criminal, or administrative;

3106 3. Transfer title to the company's real estate and other
3107 property;

3108 4. Settle disputes by mediation or arbitration;

3109 5. Dispose of its properties that will not be distributed
3110 in kind to its members; and

3111 6. Perform other acts necessary or appropriate to the
3112 winding up.

3113 (3) If a dissolved limited liability company has no
3114 members, the legal representative of the last person to have
3115 been a member may wind up the activities and affairs of the
3116 company. If the legal representative does so, the person has the
3117 powers of a sole manager under s. 605.0407(3) and is deemed to
3118 be a manager for the purposes of s. 605.0304(1).

3119 (4) If the legal representative under subsection (3)
3120 declines or fails to wind up the company's activities and
3121 affairs, a person may be appointed to do so by the consent of
3122 the transferees owning a majority of the rights to receive
3123 distributions as transferees at the time the consent is to be
3124 effective. A person appointed under this subsection has the
3125 powers of a sole manager under s. 605.0407(3) and is deemed to
3126 be a manager for the purposes of s. 605.0304(1).

3127 (5) A circuit court may order judicial supervision of the
3128 winding up of a dissolved limited liability company, including
3129 the appointment of one or more persons to wind up the company's
3130 activities and affairs:

3131 (a) On application of a member or manager if the applicant
3132 establishes good cause;

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- 3133 (b) On the application of a transferee if:
3134 1. The company does not have any members;
3135 2. The legal representative of the last person to have been
3136 a member declines or fails to wind up the company's activities
3137 and affairs; or
3138 3. Within a reasonable time following the dissolution a
3139 person has not been appointed pursuant to subsection (3);
3140 (c) On application of a creditor of the company if the
3141 applicant establishes good cause, but only if a receiver,
3142 custodian, or another person has not already been appointed for
3143 that purpose under this chapter; or
3144 (d) In connection with a proceeding under s. 605.0702 if a
3145 receiver, custodian, or another person has not already been
3146 appointed for that purpose under s. 605.0704.
3147 (6) The person or persons appointed by a court under
3148 subsection (5) may also be designated trustees for or receivers
3149 of the company with the authority to take charge of the limited
3150 liability company's property; to collect the debts and property
3151 due and belonging to the limited liability company; to prosecute
3152 and defend, in the name of the limited liability company, or
3153 otherwise, all such suits as may be necessary or proper for the
3154 purposes described above; to appoint an agent or agents under
3155 them; and to do all other acts that might be done by the limited
3156 liability company, if in being, which may be necessary for the
3157 final settlement of the unfinished activities and affairs of the
3158 limited liability company. The powers of the trustees or
3159 receivers may be continued as long as the court determines is
3160 necessary for the above purposes.
3161 (7) A dissolved limited liability company that has

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3162 completed winding up may deliver to the department for filing a
3163 statement of termination that provides the following:

3164 (a) The name of the limited liability company.

3165 (b) The date of filing of its initial articles of
3166 organization.

3167 (c) The date of the filing of its articles of dissolution.

3168 (d) The limited liability company has completed winding up
3169 its activities and affairs and has determined that it will file
3170 a statement of termination.

3171 (e) Other information as determined by the authorized
3172 representative.

3173 (8) The manager or managers in office at the time of
3174 dissolution or the survivors of such manager or managers, or, if
3175 none, the members, shall thereafter be trustees for the members
3176 and creditors of the dissolved limited liability company. The
3177 trustees may distribute property of the limited liability
3178 company discovered after dissolution, convey real estate and
3179 other property, and take such other action as may be necessary
3180 on behalf of and in the name of the dissolved limited liability
3181 company.

3182 605.0710 Disposition of assets in winding up.—

3183 (1) In winding up its activities and affairs, a limited
3184 liability company must apply its assets to discharge its
3185 obligations to creditors, including members who are creditors.

3186 (2) After a limited liability company complies with
3187 subsection (1), the surplus must be distributed in the following
3188 order, subject to a charging order in effect under s. 605.0503:

3189 (a) To each person owning a transferable interest that
3190 reflects contributions made and not previously returned, an

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3191 amount equal to the value of the unreturned contributions; then

3192 (b) To members and persons dissociated as members, in the
3193 proportions in which they shared in distributions before
3194 dissolution, except to the extent necessary to comply with a
3195 transfer effective under s. 605.0502.

3196 (3) If the limited liability company does not have
3197 sufficient surplus to comply with paragraph (2) (a), any surplus
3198 must be distributed among the owners of transferable interests
3199 in proportion to the value of their respective unreturned
3200 contributions.

3201 (4) All distributions made under subsections (2) and (3)
3202 must be paid in money.

3203 605.0711 Known claims against dissolved limited liability
3204 company.—

3205 (1) A dissolved limited liability company or successor
3206 entity, as defined in subsection (14), may dispose of the known
3207 claims against it by following the procedures described in
3208 subsections (2)-(7).

3209 (2) A dissolved limited liability company or successor
3210 entity shall deliver to each of its known claimants written
3211 notice of the dissolution after its effective date. The written
3212 notice must do the following:

3213 (a) Provide a reasonable description of the claim that the
3214 claimant may be entitled to assert.

3215 (b) State whether the claim is admitted or not admitted, in
3216 whole or in part, and, if admitted:

3217 1. The amount that is admitted, which may be as of a given
3218 date; and

3219 2. An interest obligation if fixed by an instrument of

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3220 indebtedness.

3221 (c) Provide a mailing address to which a claim may be sent.

3222 (d) State the deadline, which may not be less than 120 days

3223 after the effective date of the written notice, by which

3224 confirmation of the claim must be delivered to the dissolved

3225 limited liability company or successor entity.

3226 (e) State that the dissolved limited liability company or

3227 successor entity may make distributions to other claimants and

3228 to the members or transferees of the limited liability company

3229 or persons interested without further notice.

3230 (3) A dissolved limited liability company or successor

3231 entity may reject, in whole or in part, a claim made by a

3232 claimant pursuant to this subsection by mailing notice of the

3233 rejection to the claimant within 90 days after receipt of the

3234 claim and, in all events, at least 150 days before the

3235 expiration of the 3-year period after the effective date of

3236 dissolution. A notice sent by the dissolved limited liability

3237 company or successor entity pursuant to this subsection must be

3238 accompanied by a copy of this section.

3239 (4) A dissolved limited liability company or successor

3240 entity electing to follow the procedures described in

3241 subsections (2) and (3) shall also give notice of the

3242 dissolution of the limited liability company to persons who have

3243 known claims that are contingent upon the occurrence or

3244 nonoccurrence of future events or otherwise conditional or

3245 unmatured and request that the persons present the claims in

3246 accordance with the terms of the notice. The notice must be in

3247 substantially the same form and sent in the same manner as

3248 described in subsection (2).

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3249 (5) A dissolved limited liability company or successor
3250 entity shall offer a claimant whose known claim is contingent,
3251 conditional, or unmatured such security as the limited liability
3252 company or entity determines is sufficient to provide
3253 compensation to the claimant if the claim matures. The dissolved
3254 limited liability company or successor entity shall deliver such
3255 offer to the claimant within 90 days after receipt of the claim
3256 and, in all events, at least 150 days before expiration of 3
3257 years after the effective date of dissolution. If the claimant
3258 that is offered the security does not deliver in writing to the
3259 dissolved limited liability company or successor entity a notice
3260 rejecting the offer within 120 days after receipt of the offer
3261 for security, the claimant is deemed to have accepted such
3262 security as the sole source from which to satisfy his, her, or
3263 its claim against the limited liability company.

3264 (6) A dissolved limited liability company or successor
3265 entity that gives notice in accordance with subsections (2) and
3266 (4) shall petition the circuit court in the applicable county to
3267 determine the amount and form of security that are sufficient to
3268 provide compensation to a claimant that has rejected the offer
3269 for security made pursuant to subsection (5).

3270 (7) A dissolved limited liability company or successor
3271 entity that has given notice in accordance with subsection (2)
3272 shall petition the circuit court in the applicable county to
3273 determine the amount and form of security that will be
3274 sufficient to provide compensation to claimants whose claims are
3275 known to the limited liability company or successor entity but
3276 whose identities are unknown. The court shall appoint a guardian
3277 ad litem to represent all claimants whose identities are unknown

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3278 in a proceeding brought under this subsection. The reasonable
3279 fees and expenses of the guardian, including all reasonable
3280 expert witness fees, shall be paid by the petitioner in the
3281 proceeding.

3282 (8) The giving of notice or making of an offer pursuant to
3283 this section does not revive a claim then barred, extend an
3284 otherwise applicable statute of limitations, or constitute
3285 acknowledgment by the dissolved limited liability company or
3286 successor entity that a person to whom such notice is sent is a
3287 proper claimant, and does not operate as a waiver of a defense
3288 or counterclaim in respect of a claim asserted by a person to
3289 whom such notice is sent.

3290 (9) A dissolved limited liability company or successor
3291 entity that followed the procedures described in subsections
3292 (2)-(7) must:

3293 (a) Pay the claims admitted or made and not rejected in
3294 accordance with subsection (3);

3295 (b) Post the security offered and not rejected pursuant to
3296 subsection (5);

3297 (c) Post a security ordered by the circuit court in a
3298 proceeding under subsections (6) and (7); and

3299 (d) Pay or make provision for all other known obligations
3300 of the limited liability company or the successor entity.

3301
3302 If there are sufficient funds, such claims or obligations must
3303 be paid in full, and a provision for payments must be made in
3304 full. If there are insufficient funds, the claims and
3305 obligations shall be paid or provided for according to their
3306 priority and, among claims of equal priority, ratably to the

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3307 extent of funds that are legally available therefor. Remaining
3308 funds shall be distributed to the members and transferees of the
3309 dissolved limited liability company. However, the distribution
3310 may not be made before the expiration of 150 days after the date
3311 of the last notice of a rejection given pursuant to subsection
3312 (3). In the absence of actual fraud, the judgment of the
3313 managers of a dissolved manager-managed limited liability
3314 company or the members of a dissolved member-managed limited
3315 liability company, or other person or persons winding up the
3316 limited liability company or the governing persons of the
3317 successor entity, as to the provisions made for the payment of
3318 all obligations under paragraph (d), is conclusive.

3319 (10) A dissolved limited liability company or successor
3320 entity that has not followed the procedures described in
3321 subsections (2) and (3) shall pay or make reasonable provision
3322 to pay all known claims and obligations, including all
3323 contingent, conditional, or unmatured claims known to the
3324 dissolved limited liability company or the successor entity and
3325 all claims that are known to the dissolved limited liability
3326 company or the successor entity but for which the identity of
3327 the claimant is unknown. If there are sufficient funds, the
3328 claims must be paid in full, and a provision made for payment
3329 must be made in full. If there are insufficient funds, the
3330 claims and obligations shall be paid or provided for according
3331 to their priority and, among claims of equal priority, ratably
3332 to the extent of funds that are legally available. Remaining
3333 funds shall be distributed to the members and transferees of the
3334 dissolved limited liability company.

3335 (11) A member or transferee of a dissolved limited

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3336 liability company to which the assets were distributed pursuant
3337 to subsection (9) or subsection (10) is not liable for a claim
3338 against the limited liability company in an amount in excess of
3339 the member's or transferee's pro rata share of the claim or the
3340 amount distributed to the member or transferee, whichever is
3341 less.

3342 (12) A member or transferee of a dissolved limited
3343 liability company to whom the assets were distributed pursuant
3344 to subsection (9) is not liable for a claim against the limited
3345 liability company, which claim is known to the limited liability
3346 company or successor entity and on which a proceeding is not
3347 begun before the expiration of 3 years after the effective date
3348 of dissolution.

3349 (13) The aggregate liability of a person for claims against
3350 the dissolved limited liability company arising under this
3351 section or s. 605.0710 may not exceed the amount distributed to
3352 the person in dissolution.

3353 (14) As used in this section and s. 605.0710, the term
3354 "successor entity" includes a trust, receivership, or other
3355 legal entity governed by the laws of this state to which the
3356 remaining assets and liabilities of a dissolved limited
3357 liability company are transferred and which exists solely for
3358 the purposes of prosecuting and defending suits by or against
3359 the dissolved limited liability company, thereby enabling the
3360 dissolved limited liability company to settle and close the
3361 activities and affairs of the dissolved limited liability
3362 company, to dispose of and convey the property of the dissolved
3363 limited liability company, to discharge the liabilities of the
3364 dissolved limited liability company, and to distribute to the

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3365 dissolved limited liability company's members or transferees any
3366 remaining assets, but not for the purpose of continuing the
3367 activities and affairs for which the dissolved limited liability
3368 company was organized.

3369 (15) As used in this section and ss. 605.0712 and 605.0713,
3370 the term "applicable county" means the county in this state in
3371 which the limited liability company's principal office is
3372 located or was located at the effective date of dissolution; if
3373 the company has, and at the effective date of dissolution had,
3374 no principal office in this state, then in the county in which
3375 the company has, or at the effective date of dissolution had, an
3376 office in this state; or if none in this state, then in the
3377 county in which the company's registered office is or was last
3378 located.

3379 (16) As used in this section, the term "known claim" or
3380 "claim" includes unliquidated claims, but does not include a
3381 contingent liability that has not matured so that there is no
3382 immediate right to bring suit or a claim based on an event
3383 occurring after the effective date of dissolution.

3384 605.0712 Other claims against a dissolved limited liability
3385 company.—

3386 (1) A dissolved limited liability company or successor
3387 entity, as defined in s. 605.0711(14), may choose to execute one
3388 of the following procedures to resolve payment of unknown
3389 claims:

3390 (a) The company or successor entity may file notice of its
3391 dissolution with the department on the form prescribed by the
3392 department and request that persons who have claims against the
3393 company which are not known to the company or successor entity

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3394 present them in accordance with the notice. The notice must:

3395 1. State the name of the company and the date of
3396 dissolution;

3397 2. Describe the information that must be included in a
3398 claim, state that the claim must be in writing, and provide a
3399 mailing address to which the claim may be sent; and

3400 3. State that a claim against the company is barred unless
3401 an action to enforce the claim is commenced within 4 years after
3402 the filing of the notice.

3403 (b) The company or successor entity may publish notice of
3404 its dissolution and request persons who have claims against the
3405 company to present them in accordance with the notice. The
3406 notice must:

3407 1. Be published in a newspaper of general circulation in
3408 the county in which the dissolved limited liability company's
3409 principal office is located or, if the principal office is not
3410 located in this state, in the county in which the office of the
3411 company's registered agent is or was last located;

3412 2. Describe the information that must be included in a
3413 claim, state that the claim must be in writing, and provide a
3414 mailing address to which the claim is to be sent; and

3415 3. State that a claim against the company is barred unless
3416 an action to enforce the claim is commenced within 4 years after
3417 publication of the notice.

3418 (2) If a dissolved limited liability company complies with
3419 paragraph (1) (a) or paragraph (1) (b), unless sooner barred by
3420 another statute limiting actions, the claim of each of the
3421 following claimants is barred unless the claimant commences an
3422 action to enforce the claim against the dissolved limited

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3423 liability company within 4 years after the publication date of
3424 the notice:

3425 (a) A claimant that did not receive notice in a record
3426 under s. 605.0711;

3427 (b) A claimant whose claim was timely sent to the dissolved
3428 limited liability company but not acted on; and

3429 (c) A claimant whose claim is contingent at or based on an
3430 event occurring after the effective date of dissolution.

3431 (3) A claim that is not barred by this section, s.
3432 608.0711, or another statute limiting actions, may be enforced:

3433 (a) Against a dissolved limited liability company, to the
3434 extent of its undistributed assets; and

3435 (b) Except as otherwise provided in s. 605.0713, if assets
3436 of the limited liability company have been distributed after
3437 dissolution, against a member or transferee to the extent of
3438 that person's proportionate share of the claim or of the
3439 company's assets distributed to the member or transferee after
3440 dissolution, whichever is less, but a person's total liability
3441 for all claims under this subsection may not exceed the total
3442 amount of assets distributed to the person after dissolution.

3443 (4) This section does not extend an otherwise applicable
3444 statute of limitations.

3445 605.0713 Court proceedings.—

3446 (1) A dissolved limited liability company that has filed or
3447 published a notice under s. 605.0712(1)(a) or (1)(b) may file an
3448 application with the circuit court in the applicable county, as
3449 defined in s. 605.0711(15), for a determination of the amount
3450 and form of security to be provided for payment of claims that
3451 are contingent, have not been made known to the company, or are

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3452 based on an event occurring after the effective date of
3453 dissolution but which, based on the facts known to the dissolved
3454 company, are reasonably expected to arise after the effective
3455 date of dissolution. Security is not required for a claim that
3456 is, or is reasonably anticipated to be, barred under s.
3457 605.0712.

3458 (2) Within 10 days after filing an application under
3459 subsection (1), the dissolved limited liability company must
3460 give notice of the proceeding to each claimant holding a
3461 contingent claim known to the company.

3462 (3) In a proceeding under this section, the court may
3463 appoint a guardian ad litem to represent all claimants whose
3464 identities are unknown. The reasonable fees and expenses of the
3465 guardian ad litem, including all reasonable expert witness fees,
3466 must be paid by the dissolved limited liability company.

3467 (4) A dissolved limited liability company that provides
3468 security in the amount and form ordered by the court under
3469 subsection (1) satisfies the company's obligations with respect
3470 to claims that are contingent, have not been made known to the
3471 company, or are based on an event occurring after the effective
3472 date of dissolution, and such claims may not be enforced against
3473 a member or transferee that received assets in liquidation.

3474 605.0714 Administrative dissolution.—

3475 (1) The department may dissolve a limited liability company
3476 administratively if the company does not:

3477 (a) Deliver its annual report to the department by 5:00
3478 p.m. Eastern Time on the third Friday in September of each year;

3479 (b) Pay a fee or penalty due to the department under this
3480 chapter;

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3481 (c) Appoint and maintain a registered agent as required
3482 under s. 605.0113; or

3483 (d) Deliver for filing a statement of a change under s.
3484 605.0114 within 30 days after a change has occurred in the name
3485 or address of the agent unless, within 30 days after the change
3486 occurred:

3487 1. The agent filed a statement of change under s. 605.0116;
3488 or

3489 2. The change was made accordance with s. 605.0114(4).

3490 (2) Administrative dissolution of a limited liability
3491 company for failure to file an annual report must occur on the
3492 fourth Friday in September of each year. The department shall
3493 issue a notice in a record of administrative dissolution to the
3494 limited liability company dissolved for failure to file an
3495 annual report. Issuance of the notice may be by electronic
3496 transmission to a limited liability company that has provided
3497 the department with an e-mail address.

3498 (3) If the department determines that one or more grounds
3499 exist for administratively dissolving a limited liability
3500 company under paragraph (1) (b), paragraph (1) (c), or paragraph
3501 (1) (d), the department shall serve notice in a record to the
3502 limited liability company of its intent to administratively
3503 dissolve the limited liability company. Issuance of the notice
3504 may be by electronic transmission to a limited liability company
3505 that has provided the department with an e-mail address.

3506 (4) If, within 60 days after sending the notice of intent
3507 to administratively dissolve pursuant to subsection (3), a
3508 limited liability company does not correct each ground for
3509 dissolution under paragraph (1) (b), paragraph (1) (c), or

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3510 paragraph (1) (d) or demonstrate to the reasonable satisfaction
3511 of the department that each ground determined by the department
3512 does not exist, the department shall dissolve the limited
3513 liability company administratively and issue to the company a
3514 notice in a record of administrative dissolution that states the
3515 grounds for dissolution. Issuance of the notice of
3516 administrative dissolution may be by electronic transmission to
3517 a limited liability company that has provided the department
3518 with an e-mail address.

3519 (5) A limited liability company that has been
3520 administratively dissolved continues in existence but may only
3521 carry on activities necessary to wind up its activities and
3522 affairs, liquidate and distribute its assets, and notify
3523 claimants under ss. 605.0711 and 605.0712.

3524 (6) The administrative dissolution of a limited liability
3525 company does not terminate the authority of its registered agent
3526 for service of process.

3527 605.0715 Reinstatement.—

3528 (1) A limited liability company that is administratively
3529 dissolved under s. 605.0714 may apply to the department for
3530 reinstatement at any time after the effective date of
3531 dissolution. The company must submit a form of application for
3532 reinstatement prescribed and furnished by the department and
3533 provide all of the information required by the department,
3534 together with all fees and penalties then owed by the company at
3535 the rates provided by law at the time the company applies for
3536 reinstatement.

3537 (2) If the department determines that an application for
3538 reinstatement contains the information required under subsection

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3539 (1) and that the information is correct, upon payment of all
3540 required fees and penalties, the department shall reinstate the
3541 limited liability company.

3542 (3) When reinstatement under this section becomes
3543 effective:

3544 (a) The reinstatement relates back to and takes effect as
3545 of the effective date of the administrative dissolution.

3546 (b) The limited liability company may resume its activities
3547 and affairs as if the administrative dissolution had not
3548 occurred.

3549 (c) The rights of a person arising out of an act or
3550 omission in reliance on the dissolution before the person knew
3551 or had notice of the reinstatement are not affected.

3552 (4) The name of the dissolved limited liability company is
3553 not available for assumption or use by another business entity
3554 until 1 year after the effective date of dissolution unless the
3555 dissolved limited liability company provides the department with
3556 a record executed as required pursuant to s. 605.0203 permitting
3557 the immediate assumption or use of the name by another limited
3558 liability company.

3559 605.0716 Judicial review of denial of reinstatement.-

3560 (1) If the department denies a limited liability company's
3561 application for reinstatement after administrative dissolution,
3562 the department shall serve the company with a notice in a record
3563 that explains the reason or reasons for the denial.

3564 (2) Within 30 days after service of a notice of denial of
3565 reinstatement, a limited liability company may appeal the denial
3566 by petitioning the circuit court in the applicable county, as
3567 defined in s. 605.0711(15), to set aside the dissolution. The

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3568 petition must be served on the department and contain a copy of
3569 the department's notice of administrative dissolution, the
3570 company's application for reinstatement, and the department's
3571 notice of denial.

3572 (3) The court may order the department to reinstate a
3573 dissolved limited liability company or take other action the
3574 court considers appropriate.

3575 605.0717 Effect of dissolution.-

3576 (1) Dissolution of a limited liability company does not:

3577 (a) Transfer title to the limited liability company's
3578 assets;

3579 (b) Prevent commencement of a proceeding by or against the
3580 limited liability company in its name;

3581 (c) Abate or suspend a proceeding pending by or against the
3582 limited liability company on the effective date of dissolution;
3583 or

3584 (d) Terminate the authority of the registered agent of the
3585 limited liability company.

3586 (2) Except as provided in s. 605.0715(4), the name of the
3587 dissolved limited liability company is not available for
3588 assumption or use by another business entity until 120 days
3589 after the effective date of dissolution or filing of a statement
3590 of termination, if earlier.

3591 605.0801 Direct action by member.-

3592 (1) Subject to subsection (2), a member may maintain a
3593 direct action against another member, a manager, or the limited
3594 liability company to enforce the member's rights and otherwise
3595 protect the member's interests, including rights and interests
3596 under the operating agreement or this chapter or arising

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3597 independently of the membership relationship.

3598 (2) A member maintaining a direct action under this section
3599 must plead and prove an actual or threatened injury that is not
3600 solely the result of an injury suffered or threatened to be
3601 suffered by the limited liability company.

3602 605.0802 Derivative action.—A member may maintain a
3603 derivative action to enforce a right of a limited liability
3604 company if:

3605 (1) The member first makes a demand on the other members in
3606 a member-managed limited liability company or the managers of a
3607 manager-managed limited liability company requesting that the
3608 managers or other members cause the company to take suitable
3609 action to enforce the right, and the managers or other members
3610 do not take the action within a reasonable time, not to exceed
3611 90 days; or

3612 (2) A demand under subsection (1) would be futile, or
3613 irreparable injury would result to the company by waiting for
3614 the other members or the managers to take action to enforce the
3615 right in accordance with subsection (1).

3616 605.0803 Proper plaintiff.—A derivative action to enforce a
3617 right of a limited liability company may be maintained only by a
3618 person who is a member at the time the action is commenced and:

3619 (1) Was a member when the conduct giving rise to the action
3620 occurred; or

3621 (2) Whose status as a member devolved on the person by
3622 operation of law or pursuant to the terms of the operating
3623 agreement from a person who was a member at the time of the
3624 conduct.

3625 605.0804 Special litigation committee.—

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3626 (1) If a limited liability company is named as or made a
3627 party in a derivative action, the company may appoint a special
3628 litigation committee to investigate the claims asserted in the
3629 derivative action and determine whether pursuing the action is
3630 in the best interest of the company. If the company appoints a
3631 special litigation committee, on motion, except for good cause
3632 shown, the court may stay any derivative action for the time
3633 reasonably necessary to permit the committee to make its
3634 investigation. This subsection does not prevent the court from:

3635 (a) Enforcing a person's rights under the company's
3636 operating agreement or this chapter, including the person's
3637 rights to information under s. 605.0410; or

3638 (b) Exercising its equitable or other powers, including
3639 granting extraordinary relief in the form of a temporary
3640 restraining order or preliminary injunction.

3641 (2) A special litigation committee must be composed of one
3642 or more disinterested and independent individuals, who may be
3643 members.

3644 (3) A special litigation committee may be appointed:

3645 (a) In a member-managed limited liability company, by the
3646 consent of the members who are not named as parties in the
3647 derivative action, who are otherwise disinterested and
3648 independent, and who hold a majority of the current percentage
3649 or other interest in the profits of the company owned by all of
3650 the members of the company who are not named as parties in the
3651 derivative action and who are otherwise disinterested and
3652 independent;

3653 (b) In a manager-managed limited liability company, by a
3654 majority of the managers not named as parties in the derivative

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3655 action and who are otherwise disinterested and independent; or

3656 (c) Upon motion by the limited liability company,
3657 consisting of a panel of one or more disinterested and
3658 independent persons.

3659 (4) After appropriate investigation, a special litigation
3660 committee shall determine what action is in the best interest of
3661 the limited liability company, including continuing, dismissing,
3662 or settling the derivative action or taking another action that
3663 the special litigation committee deems appropriate.

3664 (5) After making a determination under subsection (4), a
3665 special litigation committee shall file or cause to be filed
3666 with the court a statement of its determination and its report
3667 supporting its determination and shall serve each party to the
3668 derivative action with a copy of the determination and report.
3669 Upon motion to enforce the determination of the special
3670 litigation committee, the court shall determine whether the
3671 members of the committee were disinterested and independent and
3672 whether the committee conducted its investigation and made its
3673 recommendation in good faith, independently, and with reasonable
3674 care, with the committee having the burden of proof. If the
3675 court finds that the members of the committee were disinterested
3676 and independent and that the committee acted in good faith,
3677 independently, and with reasonable care, the court may enforce
3678 the determination of the committee. Otherwise, the court shall
3679 dissolve any stay of derivative action entered under subsection
3680 (1) and allow the derivative action to continue under the
3681 control of the plaintiff.

3682 605.0805 Proceeds and expenses.—

3683 (1) Except as otherwise provided in subsection (2):

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3684 (a) Proceeds or other benefits of a derivative action under
3685 s. 605.0802, whether by judgment, compromise, or settlement,
3686 belong to the limited liability company and not to the
3687 plaintiff; and

3688 (b) If the plaintiff receives any proceeds, the plaintiff
3689 shall remit them immediately to the company.

3690 (2) If a derivative action under s. 608.0802 is successful
3691 in whole or in part, the court may award the plaintiff
3692 reasonable expenses, including reasonable attorney fees and
3693 costs, from the recovery of the limited liability company.

3694 605.0806 Voluntary dismissal or settlement; notice.—

3695 (1) A derivative action on behalf of a limited liability
3696 company may not be voluntarily dismissed or settled without the
3697 court's approval.

3698 (2) If the court determines that a proposed voluntary
3699 dismissal or settlement will substantially affect the interest
3700 of the limited liability company's members or a class, series,
3701 or voting group of members, the court shall direct that notice
3702 be given to the members affected. The court may determine which
3703 party or parties to the derivative action shall bear the expense
3704 of giving the notice.

3705 605.0901 Governing law.—

3706 (1) The law of the state or other jurisdiction under which
3707 a foreign limited liability company exists governs:

3708 (a) The organization and internal affairs of the foreign
3709 limited liability company; and

3710 (b) The liability of a member as member and a manager as
3711 manager for the debts, obligations, or other liabilities of the
3712 foreign limited liability company.

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3713 (2) A foreign limited liability company may not be denied a
3714 certificate of authority by reason of a difference between its
3715 jurisdiction of formation and the laws of this state.

3716 (3) A certificate of authority does not authorize a foreign
3717 limited liability company to engage in any business or exercise
3718 any power that a limited liability company may not engage in or
3719 exercise in this state.

3720 605.0902 Application for certificate of authority.-

3721 (1) A foreign limited liability company may not transact
3722 business in this state until it obtains a certificate of
3723 authority from the department. A foreign limited liability
3724 company may apply for a certificate of authority to transact
3725 business in this state by delivering an application to the
3726 department for filing. Such application must be made on forms
3727 prescribed by the department. The application must contain the
3728 following:

3729 (a) The name of the foreign limited liability company and,
3730 if the name does not comply with s. 605.0112, an alternate name
3731 adopted pursuant to s. 605.0906.

3732 (b) The name of the foreign limited liability company's
3733 jurisdiction of formation.

3734 (c) The principal office and mailing addresses of the
3735 foreign limited liability company.

3736 (d) The name and street address in this state of, and the
3737 written acceptance by, the foreign limited liability company's
3738 initial registered agent in this state.

3739 (e) The name, title or capacity, and address of at least
3740 one person who has the authority to manage the foreign limited
3741 liability company.

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3742 (f) Additional information as may be necessary or
3743 appropriate in order to enable the department to determine
3744 whether the foreign limited liability company is entitled to
3745 file an application for a certificate of authority to transact
3746 business in this state and to determine and assess the fees as
3747 prescribed in this chapter.

3748 (2) A foreign limited liability company shall deliver with
3749 a completed application under subsection (1) a certificate of
3750 existence or a record of similar import signed by the Secretary
3751 of State or other official having custody of the foreign limited
3752 liability company's publicly filed records in its jurisdiction
3753 of formation, dated not more than 90 days before the delivery of
3754 the application to the department.

3755 (3) For purposes of complying with the requirements of this
3756 chapter, the department may require each individual series or
3757 cell of a foreign series limited liability company that
3758 transacts business in this state to make a separate application
3759 for certificate of authority, and to make such other filings as
3760 may be required for purposes of complying with the requirements
3761 of this chapter as if each such series or cell were a separate
3762 foreign limited liability company.

3763 605.0903 Effect of a certificate of authority.-

3764 (1) Unless the department determines that an application
3765 for a certificate of authority of a foreign limited liability
3766 company to transact business in this state does not comply with
3767 the filing requirements of this chapter, the department shall,
3768 upon payment of all filing fees, authorize the foreign limited
3769 liability company to transact business in this state and file
3770 the application for a certificate of authority.

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3771 (2) The filing by the department of an application for a
3772 certificate of authority authorizes the foreign limited
3773 liability company that files the application to transact
3774 business in this state, subject, however, to the right of the
3775 department to suspend or revoke the certificate of authority as
3776 provided in this chapter.

3777 605.0904 Effect of failure to have certificate of
3778 authority.—

3779 (1) A foreign limited liability company transacting
3780 business in this state or its successors may not maintain an
3781 action or proceeding in this state unless it has a certificate
3782 of authority to transact business in this state.

3783 (2) The successor to a foreign limited liability company
3784 that transacted business in this state without a certificate of
3785 authority and the assignee of a cause of action arising out of
3786 that business may not maintain a proceeding based on that cause
3787 of action in a court in this state until the foreign limited
3788 liability company or its successor obtains a certificate of
3789 authority.

3790 (3) A court may stay a proceeding commenced by a foreign
3791 limited liability company or its successor or assignee until it
3792 determines whether the foreign limited liability company or its
3793 successor requires a certificate of authority. If it so
3794 determines, the court may further stay the proceeding until the
3795 foreign limited liability company or its successor obtains the
3796 certificate.

3797 (4) The failure of a foreign limited liability company to
3798 have a certificate of authority to transact business in this
3799 state does not impair the validity of a contract or act of the

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3800 foreign limited liability company or prevent the foreign limited
3801 liability company from defending an action or proceeding in this
3802 state.

3803 (5) A member or manager of a foreign limited liability
3804 company is not liable for the debts, obligations, or other
3805 liabilities of the foreign limited liability company solely
3806 because the foreign limited liability company transacted
3807 business in this state without a certificate of authority.

3808 (6) If a foreign limited liability company transacts
3809 business in this state without a certificate of authority or
3810 cancels its certificate of authority, it appoints the department
3811 as its agent for service of process for rights of action arising
3812 out of the transaction of business in this state.

3813 (7) A foreign limited liability company that transacts
3814 business in this state without obtaining a certificate of
3815 authority is liable to this state for the years or parts thereof
3816 during which it transacted business in this state without
3817 obtaining a certificate of authority in an amount equal to all
3818 fees and penalties that would have been imposed by this chapter
3819 upon the foreign limited liability company had it duly applied
3820 for and received a certificate authority to transact business in
3821 this state as required under this chapter. In addition to the
3822 payments thus prescribed, the foreign limited liability company
3823 is liable for a civil penalty of at least \$500 but not more than
3824 \$1,000 for each year or part thereof during which it transacts
3825 business in this state without a certificate of authority. The
3826 department may collect all penalties due under this subsection.

3827 605.0905 Activities not constituting transacting business.—

3828 (1) The following activities, among others, do not

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- 3829 constitute transacting business within the meaning of s.
3830 605.0902(1):
- 3831 (a) Maintaining, defending, or settling any proceeding.
3832 (b) Holding meetings of the managers or members or carrying
3833 on other activities concerning internal company affairs.
3834 (c) Maintaining bank accounts.
3835 (d) Maintaining managers or agencies for the transfer,
3836 exchange, and registration of the foreign limited liability
3837 company's own securities or maintaining trustees or depositaries
3838 with respect to those securities.
3839 (e) Selling through independent contractors.
3840 (f) Soliciting or obtaining orders, whether by mail or
3841 through employees, agents, or otherwise, if the orders require
3842 acceptance outside this state before they become contracts.
3843 (g) Creating or acquiring indebtedness, mortgages, and
3844 security interests in real or personal property.
3845 (h) Securing or collecting debts or enforcing mortgages and
3846 security interests in property securing the debts.
3847 (i) Transacting business in interstate commerce.
3848 (j) Conducting an isolated transaction that is completed
3849 within 30 days and that is not one in the course of repeated
3850 transactions of a like nature.
3851 (k) Owning and controlling a subsidiary corporation
3852 incorporated in or limited liability company formed in, or
3853 transacting business within, this state; voting the stock of any
3854 such subsidiary corporation; or voting the membership interests
3855 of any such limited liability company, which it has lawfully
3856 acquired.
3857 (l) Owning a limited partner interest in a limited

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3858 partnership that is transacting business within this state,
3859 unless the limited partner manages or controls the partnership
3860 or exercises the powers and duties of a general partner.

3861 (m) Owning, without more, real or personal property.

3862 (2) The list of activities in subsection (1) is not an
3863 exhaustive list of activities that constitute transacting
3864 business within the meaning of s. 605.0902(1).

3865 (3) The ownership in this state of income-producing real
3866 property or tangible personal property, other than property
3867 excluded under subsection (1), constitutes transacting business
3868 in this state for purposes of s. 605.0902(1).

3869 (4) This section does not apply when determining the
3870 contacts or activities that may subject a foreign limited
3871 liability company to service of process, taxation, or regulation
3872 under the law of this state other than this chapter.

3873 605.0906 Noncomplying name of foreign limited liability
3874 company.-

3875 (1) A foreign limited liability company whose name is
3876 unavailable under or whose name does not otherwise comply with
3877 s. 605.0112 may use an alternate name that complies with s.
3878 605.0112 to transact business in this state. An alternate name
3879 adopted for use in this state shall be cross-referenced to the
3880 actual name of the foreign limited liability company in the
3881 records of the department. If the actual name of the foreign
3882 limited liability company subsequently becomes available in this
3883 state or the foreign limited liability company chooses to change
3884 its alternate name, a copy of the record approving the change by
3885 its members, managers, or other persons having the authority to
3886 do so, and executed as required pursuant to s. 605.0203, shall

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3887 be delivered to the department for filing.

3888 (2) A foreign limited liability company that adopts an
3889 alternate name under subsection (1) and obtains a certificate of
3890 authority with the alternate name need not comply with s.
3891 865.09.

3892 (3) After obtaining a certificate of authority with an
3893 alternate name, a foreign limited liability company shall
3894 transact business in this state under the alternate name unless
3895 the company is authorized under s. 865.09 to transact business
3896 in this state under another name.

3897 (4) If a foreign limited liability company authorized to
3898 transact business in this state changes its name to one that
3899 does not comply with s. 605.0112, it may not thereafter transact
3900 business in this state until it complies with subsection (1) and
3901 obtains an amended certificate of authority.

3902 605.0907 Amendment to certificate of authority.-

3903 (1) A foreign limited liability company authorized to
3904 transact business in this state shall deliver for filing an
3905 amendment to its certificate of authority to reflect the change
3906 of any of the following:

3907 (a) Its name on the records of the department.

3908 (b) Its jurisdiction of formation.

3909 (c) The name and street address in this state of the
3910 company's registered agent in this state, unless the change was
3911 timely made in accordance with s. 605.0114 or s. 605.0116.

3912 (d) Any person identified in accordance with s.
3913 605.0902(1)(e), or a change in the title or capacity or address
3914 of that person.

3915 (2) The amendment must be filed within 30 days after the

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3916 occurrence of a change described in subsection (1), must be
3917 signed by an authorized representative of the foreign limited
3918 liability company, and must state the following:

3919 (a) The name of the foreign limited liability company as it
3920 appears on the records of the department.

3921 (b) Its jurisdiction of formation.

3922 (c) The date the foreign limited liability company was
3923 authorized to transact business this state.

3924 (d) If the name of the foreign limited liability company
3925 has been changed, the name relinquished and its new name.

3926 (e) If the amendment changes the jurisdiction of formation
3927 of the foreign limited liability company, a statement of that
3928 change.

3929 (3) Subject to subsection (4), a foreign limited liability
3930 company authorized to do business in this state may make
3931 application to the department to obtain an amended certificate
3932 of authority to add, remove, or change the name, title,
3933 capacity, or address of a person who has the authority to manage
3934 the foreign limited liability company.

3935 (4) The requirements of s. 605.0902(2) for obtaining an
3936 original certificate of authority apply to obtaining an amended
3937 certificate under this section unless the Secretary of State or
3938 other official having custody of the foreign limited liability
3939 company's publicly filed records in its jurisdiction of
3940 formation did not require an amendment to effectuate the change
3941 on its records.

3942 605.0908 Revocation of certificate of authority.-

3943 (1) A certificate of authority of a foreign limited
3944 liability company to transact business in this state may be

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3945 revoked by the department if:

3946 (a) The foreign limited liability company does not deliver
3947 its annual report to the department by 5 p.m. Eastern Time on
3948 the third Friday in September of each year;

3949 (b) The foreign limited liability company does not pay a
3950 fee or penalty due to the department under this chapter;

3951 (c) The foreign limited liability company does not appoint
3952 and maintain a registered agent as required under s. 605.0113;

3953 (d) The foreign limited liability company does not deliver
3954 for filing a statement of a change under s. 605.0114 within 30
3955 days after a change has occurred in the name or address of the
3956 agent, unless, within 30 days after the change occurred, either:

3957 1. The registered agent files a statement of change under
3958 s. 605.0116; or

3959 2. The change was made in accordance with s. 605.0114(4) or
3960 s. 605.0907(1)(d);

3961 (e) The foreign limited liability company has failed to
3962 amend its certificate of authority to reflect a change in its
3963 name on the records of the department or its jurisdiction of
3964 formation;

3965 (f) The department receives a duly authenticated
3966 certificate from the official having custody of records in the
3967 company's jurisdiction of formation stating that it has been
3968 dissolved or is no longer active on the official's records;

3969 (g) The foreign limited liability company's period of
3970 duration has expired;

3971 (h) A member, manager, or agent of the foreign limited
3972 liability company signs a document that the member, manager, or
3973 agent knew was false in a material respect with the intent that

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3974 the document be delivered to the department for filing; or

3975 (i) The foreign limited liability company has failed to
3976 answer truthfully and fully, within the time prescribed in s.
3977 605.1104, interrogatories propounded by the department.

3978 (2) Revocation of a foreign limited liability company's
3979 certificate of authority for failure to file an annual report
3980 shall occur on the 4th Friday in September of each year. The
3981 department shall issue a notice in a record of the revocation to
3982 the revoked foreign limited liability company. Issuance of the
3983 notice may be by electronic transmission to a foreign limited
3984 liability company that has provided the department with an e-
3985 mail address.

3986 (3) If the department determines that one or more grounds
3987 exist under paragraphs (1)(b)-(i) for revoking a foreign limited
3988 liability company's certificate of authority, the department
3989 shall issue a notice in a record to the foreign limited
3990 liability company of the department's intent to revoke the
3991 certificate of authority. Issuance of the notice may be by
3992 electronic transmission to a foreign limited liability company
3993 that has provided the department with an e-mail address.

3994 (4) If, within 60 days after the department sends the
3995 notice of intent to revoke in accordance with subsection (3),
3996 the foreign limited liability company does not correct each
3997 ground for revocation or demonstrate to the reasonable
3998 satisfaction of the department that each ground determined by
3999 the department does not exist, the department shall revoke the
4000 foreign limited liability company's authority to transact
4001 business in this state and issue a notice in a record of
4002 revocation which states the grounds for revocation. Issuance of

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4003 the notice may be by electronic transmission to a foreign
4004 limited liability company that has provided the department with
4005 an e-mail address.

4006 605.0909 Reinstatement following revocation of certificate
4007 of authority.-

4008 (1) A foreign limited liability company whose certificate
4009 of authority has been revoked may apply to the department for
4010 reinstatement at any time after the effective date of the
4011 revocation. The foreign limited liability company applying for
4012 reinstatement must provide information in a form prescribed and
4013 furnished by the department and pay all fees and penalties then
4014 owed by the foreign limited liability company at rates provided
4015 by law at the time the foreign limited liability company applies
4016 for reinstatement.

4017 (2) If the department determines that an application for
4018 reinstatement contains the information required under subsection
4019 (1) and that the information is correct, upon payment of all
4020 required fees and penalties, the department shall reinstate the
4021 foreign limited liability company's certificate of authority.

4022 (3) When a reinstatement becomes effective, it relates back
4023 to and takes effect as of the effective date of the revocation
4024 of authority and the foreign limited liability company may
4025 resume its activities in this state as if the revocation of
4026 authority had not occurred.

4027 (4) The name of the foreign limited liability company whose
4028 certificate of authority has been revoked is not available for
4029 assumption or use by another business entity until 1 year after
4030 the effective date of revocation of authority unless the limited
4031 liability company provides the department with a record executed

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4032 pursuant to s. 605.0203 which authorizes the immediate
4033 assumption or use of its name by another limited liability
4034 company.

4035 (5) If the name of the foreign limited liability company
4036 applying for reinstatement has been lawfully assumed in this
4037 state by another business entity, the department shall require
4038 the foreign limited liability company to comply with s. 605.0906
4039 before accepting its application for reinstatement.

4040 605.0910 Withdrawal and cancellation of certificate of
4041 authority.—To cancel its certificate of authority to transact
4042 business in this state, a foreign limited liability company must
4043 deliver to the department for filing a notice of withdrawal of
4044 certificate of authority. The certificate is canceled when the
4045 notice becomes effective pursuant to s. 605.0207. The notice of
4046 withdrawal of certificate of authority must be signed by an
4047 authorized representative and state the following:

4048 (1) The name of the foreign limited liability company as it
4049 appears on the records of the department.

4050 (2) The name of the foreign limited liability company's
4051 jurisdiction of formation.

4052 (3) The date the foreign limited liability company was
4053 authorized to transact business in this state.

4054 (4) The foreign limited liability company is withdrawing
4055 its certificate of authority in this state.

4056 605.0911 Withdrawal deemed on conversion to domestic filing
4057 entity.—A registered foreign limited liability company that
4058 converts to a domestic limited liability company or to another
4059 domestic entity that is organized, incorporated, registered or
4060 otherwise formed through the delivery of a record to the

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4061 department for filing is deemed to have withdrawn its
4062 certificate of authority on the effective date of the
4063 conversion.

4064 605.0912 Withdrawal on dissolution, merger, or conversion
4065 to nonfiling entity.-

4066 (1) A registered foreign limited liability company that has
4067 dissolved and completed winding up, merged into a foreign entity
4068 that is not registered in this state, or has converted to a
4069 domestic or foreign entity that is not organized, incorporated,
4070 registered or otherwise formed through the public filing of a
4071 record, shall deliver a notice of withdrawal of certificate of
4072 authority to the department for filing in accordance with s.
4073 605.0910.

4074 (2) After a withdrawal under this section of a foreign
4075 entity that has converted to another type of entity is
4076 effective, service of process in any action or proceeding based
4077 on a cause of action arising during the time the foreign limited
4078 liability company was registered to do business in this state
4079 may be made pursuant to s. 605.0117.

4080 605.0913 Action by Department of Legal Affairs.-The
4081 Department of Legal Affairs may maintain an action to enjoin a
4082 foreign limited liability company from transacting business in
4083 this state in violation of this chapter.

4084 605.1001 Relationship of the provisions of ss. 605.1001-
4085 605.1072 to other laws.-

4086 (1) The provisions of ss. 605.1001-605.1072 do not
4087 authorize an act prohibited by, and do not affect the
4088 application or requirements of, law other than the provisions of
4089 ss. 605.1001-605.1072.

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4090 (2) A transaction effected under ss. 605.1001-605.1072 may
4091 not create or impair a right or obligation on the part of a
4092 person under a provision of the law of this state other than ss.
4093 605.1001-605.1072, relating to a change in control, takeover,
4094 business combination, control-share acquisition, or similar
4095 transaction involving a merging, acquiring, or converting
4096 domestic business corporation unless:

4097 (a) If the corporation does not survive the transaction,
4098 the transaction satisfies the requirements of the provision; or

4099 (b) If the corporation survives the transaction, the
4100 approval of the plan is by a vote of the shareholders or
4101 directors which would be sufficient to create or impair the
4102 right or obligation directly under the provision.

4103 605.1002 Charitable and donative provisions.—

4104 (1) Property held for a charitable purpose under the law of
4105 this state by a domestic or foreign entity immediately before a
4106 transaction under this chapter becomes effective may not, as a
4107 result of the transaction, be diverted from the objects for
4108 which it was donated, granted, devised, or otherwise transferred
4109 unless, to the extent required under or pursuant to the law of
4110 this state concerning cy pres or other law dealing with
4111 nondiversion of charitable assets, the entity obtains an
4112 appropriate order of the appropriate court specifying the
4113 disposition of the property.

4114 (2) A bequest, devise, gift, grant, or promise contained in
4115 a will or other instrument of donation, subscription, or
4116 conveyance that is made to a merging entity that is not the
4117 surviving entity and that takes effect or remains payable after
4118 the merger inures to the surviving entity. A trust obligation

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4119 that would govern property if transferred to the nonsurviving
4120 entity applies to property that is transferred to the surviving
4121 entity under this section.

4122 605.1003 Status of filings.—A filing under ss. 605.1001-
4123 605.1072 signed by a domestic entity becomes part of the public
4124 organic record of the entity if the entity's organic law
4125 provides that similar filings under that law become part of the
4126 public organic record of the entity.

4127 605.1004 Nonexclusivity.—The fact that a transaction under
4128 ss. 605.1001-605.1072 produces a certain result does not
4129 preclude the same result from being accomplished in any other
4130 manner authorized under a law other than the provisions of ss.
4131 605.1001-605.1072.

4132 605.1005 Reference to external facts.—A plan may refer to
4133 facts ascertainable outside the plan if the manner in which the
4134 facts will operate upon the plan is specified in the plan. The
4135 facts may include the occurrence of an event or a determination
4136 or action by a person, whether or not the event, determination,
4137 or action is within the control of a party to the transaction.

4138 605.1006 Appraisal rights.—

4139 (1) A member of a limited liability company is entitled to
4140 appraisal rights and to obtain payment of the fair value of that
4141 member's membership interest in the following events:

4142 (a) Consummation of a merger of a limited liability company
4143 pursuant to this chapter where the member possessed the right to
4144 vote upon the merger.

4145 (b) Consummation of a conversion of such limited liability
4146 company pursuant to this chapter where the member possessed the
4147 right to vote upon the conversion.

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4148 (c) Consummation of an interest exchange pursuant to this
4149 chapter where the member possessed the right to vote upon the
4150 interest exchange except that appraisal rights are not available
4151 to any interest holder of the limited liability company whose
4152 interest in the limited liability company is not subject to
4153 exchange in the interest exchange.

4154 (d) Consummation of a sale of substantially all of the
4155 assets of a limited liability company where the member possessed
4156 the right to vote upon the sale unless the sale is pursuant to
4157 court order or the sale is for cash pursuant to a plan under
4158 which all or substantially all of the net proceeds of the sale
4159 will be distributed to the interest holders within 1 year after
4160 the date of sale.

4161 (e) An amendment to the organic rules of the entity which
4162 reduces the interest of the holder to a fraction of an interest,
4163 if the limited liability company will be obligated to or will
4164 have the right to repurchase the fractional interest so created.

4165 (f) An amendment to the organic rules of an entity, the
4166 effect of which is to alter or abolish voting or other rights
4167 with respect to such interest in a manner that is adverse to the
4168 interest of such member, except as the right may be affected by
4169 the voting or other rights of new interests then being
4170 authorized of a new class or series of interests.

4171 (g) An amendment to the organic rules of an entity the
4172 effect of which is to adversely affect the interest of the
4173 member by altering or abolishing appraisal rights under this
4174 section.

4175 (h) To the extent otherwise expressly authorized by the
4176 organic rules of the limited liability company.

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4177 (2) A limited liability company may modify, restrict, or
4178 eliminate the appraisal rights provided in this section in its
4179 organic rules if the provision modifying, restricting, or
4180 eliminating the appraisal rights is authorized by each member
4181 whose appraisal rights are being modified, restricted, or
4182 eliminated. Organic rules containing an express waiver of
4183 appraisal rights that are approved by a member constitute a
4184 waiver of appraisal rights with respect to such member to the
4185 extent provided in such organic rules.

4186 (3) To the extent that appraisal rights are available
4187 hereunder, ss. 605.1061-605.1072 govern the procedures with
4188 respect to such appraisal rights as between the limited
4189 liability company and its members.

4190 (4) Notwithstanding subsection (1), the availability of
4191 appraisal rights must be limited in accordance with the
4192 following provisions:

4193 (a) Appraisal rights are not available for holders of a
4194 membership interests that are:

4195 1. A covered security under section 18(b)(1)(A) or (B) of
4196 the Securities Act of 1933, as amended;

4197 2. Traded in an organized market and part of a class or
4198 series that has at least 2,000 members or other holders and a
4199 market value of at least \$20 million, exclusive of the value of
4200 such class or series of membership interests held by the limited
4201 liability company's subsidiaries, senior executives, managers,
4202 and beneficial members owning more than 10 percent of such class
4203 or series of membership interests; or

4204 3. Issued by an open-end management investment company
4205 registered with the Securities and Exchange Commission under the

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4206 Investment Company Act of 1940 and subject to being redeemed at
4207 the option of the holder at net asset value.

4208 (b) The applicability of paragraph (a) shall be determined
4209 as of the date fixed to determine the members entitled to
4210 receive notice of and to vote upon the appraisal event, or the
4211 day before the effective date of such appraisal event if there
4212 is no meeting of the members to vote upon the appraisal event.

4213 (c) Subsection (4) does not apply to, and appraisal rights
4214 must be available pursuant to subsection (1) for, any members
4215 who are required by the appraisal event to accept for their
4216 membership interests anything other than cash or a proprietary
4217 interest in an entity that satisfies the standards provided in
4218 paragraph (a) at the time the appraisal event becomes effective.

4219 (d) Subsection (4) does not apply to, and appraisal rights
4220 must be available pursuant to subsection (1) for, the holder of
4221 a membership interest if:

4222 1. Any of the members' interests in the limited liability
4223 company or the limited liability company's assets are being
4224 acquired or converted, whether by merger, conversion, or
4225 otherwise, pursuant to the appraisal event by a person or by an
4226 affiliate of a person who:

4227 a. Is or at any time in the 1-year period immediately
4228 preceding approval of the appraisal event was the beneficial
4229 owner of 20 percent or more of those interests in the limited
4230 liability company entitled to vote on the appraisal event,
4231 excluding any such interests acquired pursuant to an offer for
4232 all interests having such voting rights, if such offer was made
4233 within 1 year before the appraisal event for consideration of
4234 the same kind and of a value equal to or less than that paid in

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4235 connection with the appraisal event; or

4236 b. Directly or indirectly has, or at any time in the 1-year
4237 period immediately preceding approval of the appraisal event
4238 had, the power, contractually or otherwise, to cause the
4239 appointment or election of any senior executives or managers of
4240 the limited liability company; or

4241 2. Any of the members' interests in the limited liability
4242 company or the limited liability company's assets are being
4243 acquired or converted, whether by merger, conversion, or
4244 otherwise, pursuant to the appraisal event by a person, or by an
4245 affiliate of a person, who is or at any time in the 1-year
4246 period immediately preceding approval of the appraisal event was
4247 a senior executive of the limited liability company or a senior
4248 executive of any affiliate of the limited liability company, and
4249 that senior executive will receive, as a result of the limited
4250 liability company action, a financial benefit not generally
4251 available to members, other than:

4252 a. Employment, consulting, retirement, or similar benefits
4253 established separately and not as part, or in contemplation, of
4254 the appraisal event;

4255 b. Employment, consulting, retirement, or similar benefits
4256 established in contemplation, or as part, of the appraisal event
4257 which are not more favorable than those existing before the
4258 appraisal event or, if more favorable, which have been approved
4259 by the limited liability company; or

4260 c. In the case of a manager of the limited liability
4261 company who will, during or as the result of the appraisal
4262 event, become a manager, general partner, or director of the
4263 surviving or converted entity or one of its affiliates, those

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4264 rights and benefits as a manager, general partner, or director
4265 which are provided on the same basis as those afforded by the
4266 surviving or converted entity generally to other managers,
4267 general partners, or directors of the surviving or converted
4268 entity or its affiliate.

4269 (e) For the purposes of sub-subparagraph (4)(d)1.a., the
4270 term "beneficial owner" means a person who, directly or
4271 indirectly, through a contract, arrangement, or understanding,
4272 other than a revocable proxy, has or shares the right to vote or
4273 to direct the voting of an interest in a limited liability
4274 company with respect to approval of the appraisal event;
4275 however, a member of a national securities exchange may not be
4276 deemed to be a beneficial owner of an interest in a limited
4277 liability company held directly or indirectly by it on behalf of
4278 another person solely because the member is the record holder of
4279 interests in the limited liability company if the member is
4280 precluded by the rules of such exchange from voting without
4281 instruction on contested matters or matters that may
4282 substantially affect the rights or privileges of the holders of
4283 the interests in the limited liability company to be voted. If
4284 two or more persons agree to act together for the purpose of
4285 voting such interests, each member of the group formed thereby
4286 is deemed to have acquired beneficial ownership, as of the date
4287 of such agreement, of all voting interests in the limited
4288 liability company beneficially owned by a member or members of
4289 the group.

4290 605.1021 Merger authorized.-

4291 (1) By complying with the provisions of ss. 605.1021-
4292 605.1026:

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4293 (a) One or more domestic limited liability companies may
4294 merge with one or more domestic or foreign entities into a
4295 domestic or foreign surviving entity; and

4296 (b) Two or more foreign entities may merge into a domestic
4297 limited liability company.

4298 (2) By complying with the provisions of ss. 605.1021-
4299 605.1026 which are applicable to foreign entities, a foreign
4300 entity may be a party to a merger under the provisions of ss.
4301 605.1021-605.1026 or may be the surviving entity in such a
4302 merger if the merger is authorized by the law of the foreign
4303 entity's jurisdiction of formation.

4304 (3) In the case of a merger involving a limited liability
4305 company that is a not-for-profit company, the surviving limited
4306 liability company or other business entity must also be a not-
4307 for-profit entity.

4308 605.1022 Plan of merger.-

4309 (1) A domestic limited liability company may become a party
4310 to a merger under the provisions of ss. 605.1021-605.1026 by
4311 approving a plan of merger. The plan must be in a record and
4312 contain the following:

4313 (a) As to each merging entity, its name, jurisdiction of
4314 formation, and type of entity.

4315 (b) The surviving entity in the merger.

4316 (c) The manner and basis of converting the interests and
4317 the rights to acquire interests in each party to the merger into
4318 interests, securities, obligations, money, other property,
4319 rights to acquire interests or securities, or any combination of
4320 the foregoing.

4321 (d) If the surviving entity exists before the merger, any

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4322 proposed amendments to or restatements of its public organic
4323 record, or any proposed amendments to or restatements of its
4324 private organic rules, which are or are proposed to be in a
4325 record, and all such amendments or restatements that are
4326 effective at the effective date of the merger.

4327 (e) If the surviving entity is to be created in the merger,
4328 its proposed public organic record and the full text of its
4329 private organic rules that are proposed to be in a record, if
4330 any.

4331 (f) The other terms and conditions of the merger.

4332 (g) Any other provision required by the law of a merging
4333 entity's jurisdiction of formation or the organic rules of a
4334 merging entity.

4335 (2) In addition to the requirements under subsection (1), a
4336 plan of merger may contain any other provision not prohibited by
4337 law.

4338 605.1023 Approval of merger.—

4339 (1) A plan of merger is not effective unless it has been
4340 approved:

4341 (a) With respect to a domestic merging limited liability
4342 company, by a majority-in-interest of the members; and

4343 (b) In a record, by each member of a merging limited
4344 liability company which will have interest holder liability for
4345 debts, obligations, and other liabilities that arise after the
4346 merger becomes effective, unless:

4347 1. The organic rules of the company in a record provide for
4348 the approval of a merger in which some or all of its members
4349 become subject to interest holder liability by the vote or
4350 consent of fewer than all of the members; and

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4351 2. The member consented in a record to or voted for that
4352 provision of the organic rules or became a member after the
4353 adoption of that provision.

4354 (2) A merger involving a domestic merging entity that is
4355 not a limited liability company is not effective unless the
4356 merger is approved by that entity in accordance with its organic
4357 law.

4358 (3) A merger involving a foreign merging entity is not
4359 effective unless the merger is approved by the foreign entity in
4360 accordance with the law of the foreign entity's jurisdiction of
4361 formation.

4362 (4) All members of each domestic limited liability company
4363 that is a party to the merger who have a right to vote upon the
4364 merger must be given written notice of any meeting with respect
4365 to the approval of a plan of merger as provided in subsection
4366 (1) not less than 10 days and not more than 60 days before the
4367 date of the meeting at which the plan of merger is submitted for
4368 approval by the members of such limited liability company. The
4369 notification required under this subsection may be waived in
4370 writing by the person or persons entitled to such notification.

4371 (5) The notification required under subsection (4) must be
4372 in writing and must include the following:

4373 (a) The date, time, and place of the meeting at which the
4374 plan of merger is to be submitted for approval by the members of
4375 the limited liability company.

4376 (b) A copy of the plan of merger.

4377 (c) The statement or statements required under s. 605.1006
4378 and ss. 605.1061-605.1072 regarding the availability of
4379 appraisal rights, if any, to members of the limited liability

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4380 company.

4381 (d) The date on which such notification was mailed or
4382 delivered to the members.

4383 (6) In addition to the requirements under subsection (5),
4384 the notification required under subsection (4) may contain any
4385 other information concerning the plan of merger not prohibited
4386 by applicable law.

4387 (7) The notification required under subsection (4) is
4388 deemed to be given at the earliest date of:

4389 (a) The date such notification is received;

4390 (b) Five days after the date such notification is deposited
4391 in the United States mail addressed to the member at the
4392 member's address as it appears in the books and records of the
4393 limited liability company, with prepaid postage affixed;

4394 (c) The date shown on the return receipt if sent by
4395 registered or certified mail, return receipt requested, and the
4396 receipt is signed by or on behalf of the addressee; or

4397 (d) The date such notification is given in accordance with
4398 the provisions of the organic rules of the limited liability
4399 company.

4400 605.1024 Amendment or abandonment of plan of merger.-

4401 (1) A plan of merger may be amended only with the consent
4402 of each party to the plan except as otherwise provided in the
4403 plan or in the organic rules of each such entity.

4404 (2) A merging limited liability company may approve an
4405 amendment of a plan of merger:

4406 (a) In the same manner that the plan was approved if the
4407 plan does not provide for the manner in which it may be amended;
4408 or

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4409 (b) By the managers or members in the manner provided in
4410 the plan, but a member who was entitled to vote on or consent to
4411 the approval of the merger is entitled to vote on or consent to
4412 an amendment of the plan which will change:

4413 1. The amount or kind of interests, securities,
4414 obligations, money, other property, rights to acquire interests
4415 or securities, or any combination of the foregoing, to be
4416 received by the interest holders of any party to the plan;

4417 2. The public organic record, if any, or private organic
4418 rules of the surviving entity which will be in effect
4419 immediately after the merger becomes effective, except for
4420 changes that do not require approval of the interest holders of
4421 the surviving entity under its organic law or organic rules; or

4422 3. Any other terms or conditions of the plan if the change
4423 would adversely affect the member in any material respect.

4424 (3) After a plan of merger has been approved and before the
4425 articles of merger become effective, the plan may be abandoned
4426 as provided in the plan. Unless prohibited by the plan, a
4427 domestic merging limited liability company may abandon the plan
4428 in the same manner as the plan was approved.

4429 (4) If a plan of merger is abandoned after articles of
4430 merger have been delivered to the department for filing and
4431 before such articles of merger have become effective, a
4432 statement of abandonment, signed by a party to the plan, must be
4433 delivered to the department for filing before the articles of
4434 merger become effective. The statement of abandonment takes
4435 effect on filing, and the merger is abandoned and does not
4436 become effective. The statement of abandonment must contain the
4437 following:

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- 4438 (a) The name of each party to the plan of merger.
- 4439 (b) The date on which the articles of merger were delivered
4440 to the department for filing.
- 4441 (c) A statement that the merger has been abandoned in
4442 accordance with this section.
- 4443 605.1025 Articles of merger.—
- 4444 (1) After a plan of merger is approved, articles of merger
4445 must be signed by each merging entity and delivered to the
4446 department for filing.
- 4447 (2) The articles of merger must contain the following:
- 4448 (a) The name, jurisdiction of formation, and type of entity
4449 of each merging entity that is not the surviving entity.
- 4450 (b) The name, jurisdiction of formation, and type of entity
4451 of the surviving entity.
- 4452 (c) A statement that the merger was approved by each
4453 domestic merging entity that is a limited liability company, if
4454 any, in accordance with the provisions of ss. 605.1021-605.1026;
4455 by each other merging entity, if any, in accordance with the law
4456 of its jurisdiction of formation; and by each member of such
4457 limited liability company who, as a result of the merger, will
4458 have interest holder liability under s. 605.1023(1)(b) and whose
4459 approval is required.
- 4460 (d) If the surviving entity exists before the merger and is
4461 a domestic filing entity, any amendment to its public organic
4462 record approved as part of the plan of merger.
- 4463 (e) If the surviving entity is created by the merger and is
4464 a domestic filing entity, its public organic record, as an
4465 attachment.
- 4466 (f) If the surviving entity is created by the merger and is

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4467 a domestic limited liability partnership or domestic limited
4468 liability limited partnership, its statement of qualification,
4469 as an attachment.

4470 (g) If the surviving entity is a foreign entity that does
4471 not have a certificate of authority to transact business in this
4472 state, a mailing address to which the department may send any
4473 process served on the department pursuant to s. 605.0117 and
4474 chapter 48.

4475 (h) A statement that the surviving entity has agreed to pay
4476 to any members of any limited liability company with appraisal
4477 rights the amount to which such members are entitled under the
4478 provisions of s. 605.1006 and ss. 605.1061-605.1072.

4479 (i) The effective date of the merger if the effective date
4480 of the merger is not the same as the date of filing of the
4481 articles of merger, subject to the limitations contained in s.
4482 605.0207.

4483 (3) In addition to the requirements of subsection (2),
4484 articles of merger may contain any other provision not
4485 prohibited by law.

4486 (4) A merger becomes effective when the articles of merger
4487 become effective, unless the articles of merger specify an
4488 effective time or a delayed effective date that complies with s.
4489 605.0207.

4490 (5) A copy of the articles of merger, certified by the
4491 department, may be filed in the official records of any county
4492 in this state in which any party to the merger holds an interest
4493 in real property.

4494 (6) A limited liability company is not required to deliver
4495 articles of merger for filing pursuant to subsection (1) if the

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4496 limited liability company is named as a merging entity or
4497 surviving entity in articles of merger or a certificate of
4498 merger filed for the same merger in accordance with s. 607.1109,
4499 s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and if such
4500 articles of merger or certificate of merger substantially comply
4501 with the requirements of this section. In such a case, the other
4502 articles of merger or certificate of merger may also be used for
4503 purposes of subsection (5).

4504 605.1026 Effect of merger.

4505 (1) When a merger becomes effective:

4506 (a) The surviving entity continues in existence;

4507 (b) Each merging entity that is not the surviving entity
4508 ceases to exist;

4509 (c) All property of each merging entity vests in the
4510 surviving entity without transfer, reversion or impairment;

4511 (d) All debts, obligations, and other liabilities of each
4512 merging entity are debts, obligations, and other liabilities of
4513 the surviving entity;

4514 (e) Except as otherwise provided by law or the plan of
4515 merger, all the rights, privileges, immunities, powers, and
4516 purposes of each merging entity vest in the surviving entity;

4517 (f) If the surviving entity exists before the merger:

4518 1. All its property continues to be vested in it without
4519 transfer, reversion, or impairment;

4520 2. It remains subject to all of its debts, obligations, and
4521 other liabilities; and

4522 3. All of its rights, privileges, immunities, powers, and
4523 purposes continue to be vested in it;

4524 (g) The name of the surviving entity may be substituted for

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4525 the name of any merging entity that is a party to any pending
4526 action or proceeding;

4527 (h) If the surviving entity exists before the merger:

4528 1. Its public organic record, if any, is amended as
4529 provided in the articles of merger; and

4530 2. Its private organic rules that are to be in a record, if
4531 any, are amended to the extent provided in the plan of merger;

4532 (i) If the surviving entity is created by the merger:

4533 1. Its public organic record, if any, is effective; and

4534 2. Its private organic rules are effective; and

4535 (j) The interests or rights to acquire interests in each
4536 merging entity which are to be converted in the merger are
4537 converted, and the interest holders of those interests are
4538 entitled only to the rights provided to them under the plan of
4539 merger and to any appraisal rights they have under s. 605.1006
4540 and ss. 605.1061-605.1072 and the merging entity's organic law.

4541 (2) Except as otherwise provided in the organic law or
4542 organic rules of a merging entity:

4543 (a) The merger does not give rise to any rights that an
4544 interest holder, governor, or third party would have upon a
4545 dissolution, liquidation, or winding up of the merging entity;
4546 and

4547 (b) The merging entity is not required to wind up its
4548 affairs, pay its liabilities, and distribute its assets under
4549 ss. 605.0701-605.0717, and the merger shall not constitute a
4550 dissolution of the merging entity.

4551 (3) When a merger becomes effective, a person who did not
4552 have interest holder liability with respect to any of the
4553 merging entities and becomes subject to interest holder

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4554 liability with respect to a domestic entity as a result of the
4555 merger will have interest holder liability only to the extent
4556 provided by the organic law of that entity and only for those
4557 debts, obligations, and other liabilities that arise after the
4558 merger becomes effective.

4559 (4) When a merger becomes effective, the interest holder
4560 liability of a person who ceases to hold an interest in a
4561 domestic merging entity with respect to which the person had
4562 interest holder liability is as follows:

4563 (a) The merger does not discharge an interest holder
4564 liability under the organic law of the domestic merging entity
4565 to the extent the interest holder liability arose before the
4566 merger became effective.

4567 (b) The person does not have interest holder liability
4568 under the organic law of the domestic merging entity for a debt,
4569 obligation, or other liability that arises after the merger
4570 becomes effective.

4571 (c) The organic law of the domestic merging entity and any
4572 rights of contribution provided under such law, or the organic
4573 rules of the domestic merging entity, continue to apply to the
4574 release, collection, or discharge of any interest holder
4575 liability preserved under paragraph (a) as if the merger had not
4576 occurred and the surviving entity were the domestic merging
4577 entity.

4578 (5) When a merger becomes effective, a foreign entity that
4579 is the surviving entity may be served with process in this state
4580 for the collection and enforcement of any debts, obligations, or
4581 other liabilities of a domestic merging entity as provided in s.
4582 605.0117 and chapter 48.

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4583 (6) When a merger becomes effective, the certificate of
4584 authority to transact business in this state of any foreign
4585 merging entity that is not the surviving entity is canceled.

4586 605.1031 Interest exchange authorized.—

4587 (1) By complying with the provisions of ss. 605.1031-
4588 605.1036:

4589 (a) A domestic limited liability company may acquire all of
4590 one or more classes or series of interests of another domestic
4591 or foreign entity, or rights to acquire one or more classes or
4592 series of any such interests, in exchange for interests,
4593 securities, obligations, money, other property, rights to
4594 acquire interests or securities, or any combination of the
4595 foregoing; or

4596 (b) All of one or more classes or series of interests of a
4597 domestic limited liability company or rights to acquire one or
4598 more classes or series of any such interests may be acquired by
4599 another domestic or foreign entity in exchange for interests,
4600 securities, obligations, money, other property, rights to
4601 acquire interests or securities, or any combination of the
4602 foregoing.

4603 (2) By complying with the provisions of ss. 605.1031-
4604 605.1036 which are applicable to foreign entities, a foreign
4605 entity may be the acquiring or acquired entity in an interest
4606 exchange completed under the provisions of ss. 605.1031-605.1036
4607 if the interest exchange is authorized by the organic law in the
4608 foreign entity's jurisdiction of formation.

4609 (3) If a protected agreement contains a provision that
4610 applies to a merger of a domestic limited liability company but
4611 does not refer to an interest exchange, the provision applies to

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4612 an interest exchange in which the domestic limited liability
4613 company is the acquired entity as if the interest exchange were
4614 a merger until the provision is amended after January 1, 2014.

4615 605.1032 Plan of interest exchange.—

4616 (1) A domestic limited liability company may be the
4617 acquired entity in an interest exchange under the provisions of
4618 ss. 605.1031-605.1036 by approving a plan of interest exchange.
4619 The plan must be in a record and contain the following:

4620 (a) The name of the acquired entity.

4621 (b) The name, jurisdiction of formation, and type of entity
4622 of the acquiring entity.

4623 (c) The manner and basis of converting the interests and
4624 the rights to acquire interests of the members of each limited
4625 liability company that is to be an acquired entity into
4626 interests, securities, obligations, money, other property,
4627 rights to acquire interests or securities, or any combination of
4628 the foregoing.

4629 (d) If the acquired entity is a domestic limited liability
4630 company, any proposed amendments to or restatements of its
4631 public organic record or any amendments to or restatements of
4632 its private organic rules that are or are proposed to be in a
4633 record and all such amendments or restatements are effective at
4634 the effective date of the interest exchange.

4635 (e) The other terms and conditions of the interest
4636 exchange.

4637 (f) Any other provision required by the law of an acquired
4638 entity's jurisdiction of formation, the organic rules of the
4639 acquired entity, the organic rules of an acquiring entity, or
4640 the law of the jurisdiction of formation of the acquiring

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4641 entity.

4642 (2) In addition to the requirements of subsection (1), a
4643 plan of interest exchange may contain any other provision not
4644 prohibited by law.

4645 605.1033 Approval of interest exchange.-

4646 (1) A plan of interest exchange is not effective unless it
4647 has been approved:

4648 (a) With respect to a domestic limited liability company
4649 that is the acquired entity in the interest exchange, by a
4650 majority-in-interest of the members of such company; and

4651 (b) In a record, by each member of the domestic acquired
4652 limited liability company that will have interest holder
4653 liability for debts, obligations, and other liabilities that
4654 arise after the interest exchange becomes effective, unless:

4655 1. The organic rules of the company in a record provide for
4656 the approval of an interest exchange or a merger in which some
4657 or all of its members become subject to interest holder
4658 liability by the vote or consent of fewer than all the members;
4659 and

4660 2. The member consented in a record to or voted for that
4661 provision of the organic rules or became a member after the
4662 adoption of that provision.

4663 (2) An interest exchange involving a domestic acquired
4664 entity that is not a limited liability company is not effective
4665 unless it is approved by the domestic entity in accordance with
4666 its organic law.

4667 (3) An interest exchange involving a foreign acquired
4668 entity is not effective unless it is approved by the foreign
4669 entity in accordance with the law of the foreign entity's

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4670 jurisdiction of formation.

4671 (4) Except as otherwise provided in its organic law or
4672 organic rules, the interest holders of the acquiring entity are
4673 not required to approve the interest exchange.

4674 (5) All members of each domestic limited liability company
4675 that is a party to the interest exchange and who have a right to
4676 vote upon the interest exchange must be given written notice of
4677 any meeting with respect to the approval of a plan of interest
4678 exchange as provided in subsection (1) not less than 10 days and
4679 not more than 60 days before the date of the meeting at which
4680 the plan of interest exchange is submitted for approval by the
4681 members of such limited liability company. The notification
4682 required under this subsection may be waived in writing by the
4683 person entitled to such notification.

4684 (6) The notification required under subsection (5) must be
4685 in writing and must include the following:

4686 (a) The date, time, and place of the meeting at which the
4687 plan of interest exchange is to be submitted for approval by the
4688 members of the limited liability company.

4689 (b) A copy of the plan of interest exchange.

4690 (c) The statement or statements required under s. 605.1006
4691 and ss. 605.1061-605.1072 regarding the availability of
4692 appraisal rights, if any, to members of the limited liability
4693 company.

4694 (d) The date on which such notification was mailed or
4695 delivered to the members.

4696 (7) In addition to the requirements of subsection (6), the
4697 notification required under subsection (5) may contain any other
4698 information concerning the plan of interest exchange not

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4699 prohibited by applicable law.

4700 (8) The notification required under subsection (5) is
4701 deemed to be given at the earliest date of:

4702 (a) The date the notification is received;

4703 (b) Five days after the date such notification is deposited
4704 in the United States mail addressed to the member at the
4705 member's address as it appears in the books and records of the
4706 limited liability company, with prepaid postage affixed;

4707 (c) The date shown on the return receipt, if sent by
4708 registered or certified mail, return receipt requested, and if
4709 the receipt is signed by or on behalf of the addressee; or

4710 (d) The date such notification is given in accordance with
4711 the provisions of the organic rules of the limited liability
4712 company.

4713 605.1034 Amendment or abandonment of plan of interest
4714 exchange.—

4715 (1) A plan of interest exchange may be amended only with
4716 the consent of each party to the plan, except as otherwise
4717 provided in the plan or in the organic rules of each such
4718 entity.

4719 (2) A domestic acquired limited liability company may
4720 approve an amendment of a plan of interest exchange:

4721 (a) In the same manner as the plan was approved, if the
4722 plan does not provide for the manner in which it may be amended;
4723 or

4724 (b) By the managers or members in the manner provided in
4725 the plan, but a member who was entitled to vote on or consent to
4726 approval of the interest exchange is entitled to vote on or
4727 consent to any amendment of the plan which will change:

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4728 1. The amount or kind of interests, securities,
4729 obligations, money, other property, rights to acquire interests
4730 or securities, or any combination of the foregoing, to be
4731 received by the interest holders of any party to the plan;

4732 2. The public organic record, if any, or private organic
4733 rules of the acquired entity which will be in effect immediately
4734 after the interest exchange becomes effective, except for
4735 changes that do not require approval of the interest holders of
4736 the acquired entity under its organic law or organic rules; or

4737 3. Any other terms or conditions of the plan, if the change
4738 would adversely affect the member in any material respect.

4739 (3) After a plan of interest exchange has been approved and
4740 before such articles of interest exchange become effective, the
4741 plan may be abandoned as provided in the plan. Unless prohibited
4742 by the plan, a domestic limited liability company may abandon
4743 the plan in the same manner as the plan was approved.

4744 (4) If a plan of interest exchange is abandoned after
4745 articles of interest exchange have been delivered to the
4746 department for filing and before such articles of interest
4747 exchange have become effective, a statement of abandonment,
4748 signed by a party to the plan, must be delivered to the
4749 department for filing before the articles of interest exchange
4750 become effective. The statement of abandonment takes effect on
4751 filing, and the interest exchange is abandoned and does not
4752 become effective. The statement of abandonment must contain the
4753 following:

4754 (a) The name of each party to the plan of interest
4755 exchange.

4756 (b) The date on which the articles of interest exchange

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4757 were delivered to the department for filing.

4758 (c) A statement that the interest exchange has been
4759 abandoned in accordance with this section.

4760 605.1035 Articles of interest exchange.-

4761 (1) After a plan of interest exchange has been approved,
4762 articles of interest exchange must be signed by each party to
4763 the interest exchange and delivered to the department for
4764 filing.

4765 (2) The articles of interest exchange must contain the
4766 following:

4767 (a) The name of the acquired limited liability company.

4768 (b) The name, jurisdiction of formation, and type of entity
4769 of the acquiring entity.

4770 (c) A statement that the plan of interest exchange was
4771 approved by the acquired limited liability entity in accordance
4772 with the provisions of ss. 605.1031-605.1036 and by each member
4773 of such limited liability company who, as a result of the
4774 interest exchange, will have interest holder liability under s.
4775 605.1033(1)(b) and whose approval is required.

4776 (d) Any amendments to the acquired limited liability
4777 company's public organic record approved as part of the plan of
4778 interest exchange.

4779 (e) A statement that the plan of interest exchange was
4780 approved by each acquiring entity that is a party to the
4781 interest exchange in accordance with the organic laws in its
4782 jurisdiction of formation, or if such approval was not required,
4783 a statement to that effect.

4784 (f) A statement that the acquiring entity has agreed to pay
4785 to any members of the acquired entity with appraisal rights the

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4786 amount to which such members are entitled under s. 605.1006 and
4787 ss. 605.1061-605.1072.

4788 (g) The effective date of the interest exchange, if the
4789 effective date of the interest exchange is not the same as the
4790 date of filing of the articles of interest exchange, subject to
4791 the limitations in s. 605.0207.

4792 (3) In addition to the requirements of subsection (2),
4793 articles of interest exchange may include any other provision
4794 not prohibited by law.

4795 (4) An interest exchange becomes effective when the
4796 articles of interest exchange become effective, unless the
4797 articles of interest exchange specify an effective time or a
4798 delayed effective date that complies with s. 605.0207.

4799 (5) A limited liability company is not required to deliver
4800 articles of interest exchange for filing pursuant to subsection
4801 (1) if the domestic limited liability company is named as an
4802 acquired entity or as an acquiring entity in the articles of
4803 share exchange filed for the same interest exchange in
4804 accordance with s. 607.1105(1) and if such articles of share
4805 exchange substantially comply with the requirements of this
4806 section.

4807 605.1036 Effect of interest exchange.-

4808 (1) When an interest exchange in which the acquired entity
4809 is a domestic limited liability company becomes effective:

4810 (a) The interests in a domestic company which are the
4811 subject of the interest exchange cease to exist or are converted
4812 or exchanged, and the members holding those interests are
4813 entitled only to the rights provided to them under the plan of
4814 interest exchange and to any appraisal rights they have under s.

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4815 605.1006 and ss. 605.1061-605.1072;

4816 (b) The acquiring entity becomes the interest holder of the
4817 interests in the acquired entity stated in the plan of interest
4818 exchange to be acquired by the acquiring entity;

4819 (c) The public organic record of the acquired entity is
4820 amended as provided in the articles of interest exchange; and

4821 (d) The provisions of the private organic rules of the
4822 acquired entity that are to be in a record, if any, are amended
4823 to the extent provided in the plan of interest exchange.

4824 (2) Except as otherwise provided in the organic rules of
4825 the acquired limited liability company, the interest exchange
4826 does not give rise to any rights that a member, manager, or
4827 third party would have upon a dissolution, liquidation, or
4828 winding up of the acquired entity.

4829 (3) When an interest exchange becomes effective, a person
4830 who did not have interest holder liability with respect to a
4831 domestic acquired limited liability company and who becomes
4832 subject to interest holder liability with respect to a domestic
4833 entity as a result of the interest exchange will have interest
4834 holder liability only to the extent provided by the organic law
4835 of the entity and only for those debts, obligations, and other
4836 liabilities that arise after the interest exchange becomes
4837 effective.

4838 (4) When an interest exchange becomes effective, the
4839 interest holder liability of a person who ceases to hold an
4840 interest in a domestic acquired limited liability company with
4841 respect to which the person had interest holder liability is as
4842 follows:

4843 (a) The interest exchange does not discharge any interest

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4844 holder liability to the extent the interest holder liability
4845 arose before the interest exchange became effective.

4846 (b) The person does not have interest holder liability for
4847 any debt, obligation, or other liability that arises after the
4848 interest exchange becomes effective.

4849 (c) The organic law of the acquired entity's jurisdiction
4850 of formation and any rights of contribution provided by such
4851 law, or under the organic rules of the acquired entity, continue
4852 to apply to the release, collection, or discharge of any
4853 interest holder liability preserved under paragraph (a) as if
4854 the interest exchange had not occurred.

4855 605.1041 Conversion authorized.-

4856 (1) By complying with the provisions of ss. 605.1041-
4857 605.1046, a domestic limited liability company may become:

4858 (a) A domestic entity that is a different type of entity;
4859 or

4860 (b) A foreign entity that is a limited liability company or
4861 a different type of entity, if the conversion is authorized by
4862 the law of the foreign entity's jurisdiction of formation.

4863 (2) By complying with the provisions of ss. 605.1041-
4864 605.1046, which are applicable to a domestic entity that is not
4865 a domestic limited liability company, the domestic entity may
4866 become a domestic limited liability company if the conversion is
4867 authorized by the law governing the domestic entity.

4868 (3) By complying with the provisions of ss. 605.1041-
4869 608.1046 which are applicable to foreign entities, a foreign
4870 entity may become a domestic limited liability company if the
4871 conversion is authorized by the law of the foreign entity's
4872 jurisdiction of formation.

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4873 (4) If a protected agreement contains a provision that
4874 applies to a merger of a domestic limited liability company but
4875 does not refer to a conversion, the provision applies to a
4876 conversion of the entity as if the conversion were a merger
4877 until the provision is amended after January 1, 2014.

4878 605.1042 Plan of conversion.—

4879 (1) A domestic limited liability company may convert into a
4880 different type of domestic entity or into a foreign entity that
4881 is a foreign limited liability company or a different type of
4882 foreign entity by approving a plan of conversion. The plan must
4883 be in a record and contain the following:

4884 (a) The name of the converting limited liability company.

4885 (b) The name, jurisdiction of formation, and type of entity
4886 of the converted entity.

4887 (c) The manner and basis of converting the interests and
4888 rights to acquire interests in the converting limited liability
4889 company into interests, securities, obligations, money, other
4890 property, rights to acquire interests or securities, or any
4891 combination of the foregoing.

4892 (d) The proposed public organic record of the converted
4893 entity, if it will be a filing entity.

4894 (e) The full text of the private organic rules of the
4895 converted entity which are proposed to be in a record, if any.

4896 (f) Any other provision required by the law of this state
4897 or the organic rules of the converted limited liability company,
4898 if the entity is to be an entity other than a domestic limited
4899 liability company.

4900 (g) All other statements required to be set forth in a plan
4901 of conversion by the law of the jurisdiction of formation of the

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4902 converted entity following the conversion.

4903 (2) In addition to the requirements of subsection (1), a
4904 plan of conversion may contain any other provision not
4905 prohibited by law.

4906 605.1043 Approval of conversion.-

4907 (1) A plan of conversion is not effective unless it has
4908 been approved:

4909 (a) If the converting entity is a domestic limited
4910 liability company, by a majority-in-interest of the members of
4911 such company who have a right to vote upon the conversion; and

4912 (b) In a record, by each member of a converting limited
4913 liability company which will have interest holder liability for
4914 debts, obligations, and other liabilities that arise after the
4915 conversion becomes effective, unless:

4916 1. The organic rules of the company in a record provide for
4917 the approval of a conversion in which some or all of its members
4918 become subject to interest holder liability by the vote or
4919 consent of less than all of the members; and

4920 2. The member consented in a record to or voted for that
4921 provision of the organic rules or became a member after the
4922 adoption of that provision.

4923 (2) A conversion involving a domestic converting entity
4924 that is not a limited liability company is not effective unless
4925 it is approved by the domestic converting entity in accordance
4926 with its organic law.

4927 (3) A conversion of a foreign converting entity is not
4928 effective unless it is approved by the foreign entity in
4929 accordance with the law of the foreign entity's jurisdiction of
4930 formation.

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4931 (4) If the converting entity is a domestic limited
4932 liability company, all members of the company who have the right
4933 to vote upon the conversion must be given written notice of a
4934 meeting with respect to the approval of a plan of conversion as
4935 provided in subsection (1) not less than 10 days and not more
4936 than 60 days before the date of the meeting at which the plan of
4937 conversion is submitted for approval by the members of such
4938 limited liability company. The notification required under this
4939 subsection may be waived in writing by the person or persons
4940 entitled to such notification.

4941 (5) The notification required under subsection (4) must be
4942 in writing and include the following:

4943 (a) The date, time, and place of the meeting at which the
4944 plan of conversion is to be submitted for approval by the
4945 members of the limited liability company.

4946 (b) A copy of the plan of conversion.

4947 (c) The statement or statements required under s. 605.1006
4948 and ss. 605.1061-605.1072 regarding the availability of
4949 appraisal rights, if any, to members of the limited liability
4950 company.

4951 (d) The date on which such notification was mailed or
4952 delivered to the members.

4953 (6) In addition to the requirements of subsection (5), the
4954 notification required under subsection (4) may contain any other
4955 information concerning the plan of conversion not prohibited by
4956 applicable law.

4957 (7) The notification required under subsection (4) is
4958 deemed to be given at the earliest date of:

4959 (a) The date the notification is received;

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4960 (b) Five days after the date the notification is deposited
4961 in the United States mail addressed to the member at the
4962 member's address as it appears in the books and records of the
4963 limited liability company, with prepaid postage affixed;

4964 (c) The date shown on the return receipt, if sent by
4965 registered or certified mail, return receipt requested, and if
4966 the receipt is signed by or on behalf of the addressee; or

4967 (d) The date the notification is given in accordance with
4968 the organic rules of the limited liability company.

4969 605.1044 Amendment or abandonment of plan of conversion.—

4970 (1) A plan of conversion of a domestic converting limited
4971 liability company may be amended:

4972 (a) In the same manner as the plan was approved, if the
4973 plan does not provide for the manner in which it may be amended;
4974 or

4975 (b) By the managers or members of the entity in the manner
4976 provided in the plan, but a member who was entitled to vote on
4977 or consent to approval of the conversion is entitled to vote on
4978 or consent to an amendment of the plan which will change:

4979 1. The amount or kind of interests, securities,
4980 obligations, money, other property, rights to acquire interests
4981 or securities, or any combination of the foregoing, to be
4982 received by the interest holders of the converting entity under
4983 the plan;

4984 2. The public organic record, if any, or private organic
4985 rules of the converted entity which will be in effect
4986 immediately after the conversion becomes effective, except for
4987 changes that do not require approval of the interest holders of
4988 the converting entity under its organic law or organic rules; or

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4989 3. Any other terms or conditions of the plan, if the change
4990 would adversely affect the interest holder in any material
4991 respect.

4992 (2) After a plan of conversion has been approved and before
4993 the articles of conversion become effective, the plan may be
4994 abandoned as provided in the plan. Unless prohibited by the
4995 plan, a domestic converting limited liability company may
4996 abandon the plan in the same manner as the plan was approved.

4997 (3) If a plan of conversion is abandoned after articles of
4998 conversion have been delivered to the department for filing and
4999 before such articles of conversion have become effective, a
5000 statement of abandonment, signed by the converting entity, must
5001 be delivered to the department for filing before the articles of
5002 conversion become effective. The statement of abandonment takes
5003 effect on filing, and the conversion is abandoned and does not
5004 become effective. The statement of abandonment must contain the
5005 following:

5006 (a) The name of the converting limited liability company.

5007 (b) The date on which the articles of conversion were
5008 delivered to the department for filing.

5009 (c) A statement that the conversion has been abandoned in
5010 accordance with this section.

5011 605.1045 Articles of conversion.—

5012 (1) After a plan of conversion is approved, articles of
5013 conversion signed by the converting entity must be delivered to
5014 the department for filing.

5015 (2) The articles of conversion must contain the following:

5016 (a) The name, jurisdiction of formation, and type of entity
5017 of the converting entity.

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5018 (b) The name, jurisdiction of formation, and type of entity
5019 of the converted entity.

5020 (c) If the converting entity is a domestic limited
5021 liability company, a statement that the plan of conversion has
5022 been approved in accordance with ss. 605.1041-605.1046, or if
5023 the converting entity is a foreign entity, a statement that the
5024 conversion was approved by the foreign converting entity in
5025 accordance with the law of its jurisdiction of formation and by
5026 each member of the converting entity who as a result of the
5027 conversion will have interest holder liability under s.
5028 605.1043(1)(b) and whose approval is required.

5029 (d) If the converted entity is a domestic filing entity,
5030 the text of its public organic record, as an attachment.

5031 (e) If the converted entity is a domestic limited liability
5032 partnership, the text of its statement of qualification, as an
5033 attachment.

5034 (f) If the converted entity is a foreign entity that does
5035 not have a certificate of authority to transact business in this
5036 state, a mailing address to which the department may send any
5037 process served on the department pursuant to s. 605.0117 and
5038 chapter 48.

5039 (g) A statement that the converted entity has agreed to pay
5040 to the members of any limited liability company with appraisal
5041 rights the amount to which such members are entitled under s.
5042 605.1006 and ss. 605.1061-605.1072.

5043 (h) The effective date of the conversion, if the effective
5044 date of the conversion is not the same as the date of filing of
5045 the articles of conversion, subject to the limitations contained
5046 in s. 605.0207.

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5047 (2) In addition to the requirements of subsection (1),
5048 articles of conversion may contain any other provision not
5049 prohibited by law.

5050 (3) A conversion becomes effective when the articles of
5051 conversion become effective, unless the articles of conversion
5052 specify an effective time or a delayed effective date that
5053 complies with s. 605.0207.

5054 (4) A copy of the articles of conversion, certified by the
5055 department, may be filed in the official records of any county
5056 in this state in which the converted entity holds an interest in
5057 real property.

5058 605.1046 Effect of conversion.—

5059 (1) When a conversion in which the converted entity is a
5060 domestic limited liability company becomes effective:

5061 (a) The converted entity is:

5062 1. Organized under and subject to this chapter; and
5063 2. The same entity, without interruption, as the converting
5064 entity.

5065 (b) All property of the converting entity continues to be
5066 vested in the converted entity without transfer, reversion, or
5067 impairment;

5068 (c) All debts, obligations, and other liabilities of the
5069 converting entity continue as debts, obligations, and other
5070 liabilities of the converted entity;

5071 (d) Except as otherwise provided by law or the plan of
5072 conversion, all the rights, privileges, immunities, powers, and
5073 purposes of the converting entity remain in the converted
5074 entity;

5075 (e) The name of the converted entity may be substituted for

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5076 the name of the converting entity in any pending action or
5077 proceeding;

5078 (f) The provisions of the organic rules of the converted
5079 entity which are to be in a record, if any, approved as part of
5080 the plan of conversion are effective; and

5081 (g) The interests or rights to acquire interests in the
5082 converting entity are converted, and the interest holders of the
5083 converting entity are entitled only to the rights provided to
5084 them under the plan of conversion and to any appraisal rights
5085 they have under s. 605.1006 and ss. 605.1061-605.1072 and the
5086 converting entity's organic law.

5087 (2) Except as otherwise provided in the private organic
5088 rules of a domestic converting limited liability company, the
5089 conversion does not give rise to any rights that a member,
5090 manager, or third party would otherwise have upon a dissolution,
5091 liquidation, or winding up of the converting entity.

5092 (3) When a conversion becomes effective, a person who did
5093 not have interest holder liability with respect to the
5094 converting entity and becomes subject to interest holder
5095 liability with respect to a domestic entity as a result of the
5096 conversion has interest holder liability only to the extent
5097 provided by the organic law of the entity and only for those
5098 debts, obligations, and other liabilities that arise after the
5099 conversion becomes effective.

5100 (4) When a conversion becomes effective, the interest
5101 holder liability of a person who ceases to hold an interest in a
5102 domestic limited liability company with respect to which the
5103 person had interest holder liability is as follows:

5104 (a) The conversion does not discharge interest holder

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5105 liability to the extent the interest holder liability arose
5106 before the conversion became effective.

5107 (b) The person does not have interest holder liability for
5108 any debt, obligation, or other liability that arises after the
5109 conversion becomes effective.

5110 (c) The organic law of the jurisdiction of formation of the
5111 converting limited liability company and the rights of
5112 contribution provided under such law, or the organic rules of
5113 the converting limited liability company, continue to apply to
5114 the release, collection, or discharge of any interest holder
5115 liability preserved under paragraph (a) as if the conversion had
5116 not occurred.

5117 (5) When a conversion becomes effective, a foreign entity
5118 that is the converted entity may be served with process in this
5119 state for the collection and enforcement of its debts,
5120 obligations, and liabilities as provided in s. 605.0117 and
5121 chapter 48.

5122 (6) If the converting entity is a registered foreign
5123 entity, the certificate of authority to conduct business in this
5124 state of the converting entity is canceled when the conversion
5125 becomes effective.

5126 (7) A conversion does not require the entity to wind up its
5127 affairs and does not constitute or cause the dissolution of the
5128 entity.

5129 605.1051 Domestication authorized.—By complying with ss.
5130 605.1051-605.1056, a non-United States entity may become a
5131 domestic limited liability company if the domestication is
5132 authorized under the organic law of the non-United States
5133 entity's jurisdiction of formation.

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5134 605.1052 Plan of domestication.—

5135 (1) A non-United States entity may become a domestic
5136 limited liability company by approving a plan of domestication.
5137 The plan of domestication must be in a record and contain the
5138 following:

5139 (a) The name and jurisdiction of formation of the
5140 domesticating entity.

5141 (b) If applicable, the manner and basis of converting the
5142 interests and rights to acquire interests in the domesticating
5143 entity into interests, securities, obligations, money, other
5144 property, rights to acquire interests or securities, or any
5145 combination of the foregoing.

5146 (c) The proposed public organic record of the domesticating
5147 entity in this state.

5148 (d) The full text of the proposed private organic rules of
5149 the domesticated entity that are to be in a record, if any.

5150 (e) Any other provision required by the law of the
5151 jurisdiction of formation of the domesticating entity or the
5152 organic rules of the domesticating entity.

5153 (2) In addition to the requirements of subsection (1), a
5154 plan of domestication may contain any other provision not
5155 prohibited by law.

5156 605.1053 Approval of domestication.—A plan of domestication
5157 of a domesticating entity shall be approved:

5158 (1) In accordance with the organic law of the domesticating
5159 entity's jurisdiction of formation; and

5160 (2) In a record, by each of the domesticating entity's
5161 owners who will have interest holder liability for debts,
5162 obligations, and other liabilities that arise after the

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5163 domestication becomes effective, unless:

5164 (a) The organic rules of the domesticating entity in a
5165 record provide for the approval of a domestication in which some
5166 or all of the persons who are its owners become subject to
5167 interest holder liability by the vote or consent of fewer than
5168 all of the persons who are its owners; and

5169 (b) The person who will be a member of the domesticated
5170 limited liability company consented in a record to or voted for
5171 that provision of the organic rules of the domesticating entity
5172 or became an owner of the domesticating entity after the
5173 adoption of that provision.

5174 605.1054 Amendment or abandonment of plan of
5175 domestication.-

5176 (1) A plan of domestication of a domesticating entity may
5177 be amended:

5178 (a) In the same manner as the plan was approved if the plan
5179 does not provide for the manner in which it may be amended; or

5180 (b) By the interest holders of the domesticating entity in
5181 the manner provided in the plan, but an owner who was entitled
5182 to vote on or consent to approval of the domestication is
5183 entitled to vote on or consent to any amendment of the plan that
5184 will change:

5185 1. If applicable, the amount or kind of interests,
5186 securities, obligations, money, other property, rights to
5187 acquire interests or securities, or any combination of the
5188 foregoing, to be received by the interest holders of the
5189 domesticating entity under the plan;

5190 2. The public organic record, if any, or private organic
5191 rules of the domesticated limited liability company which will

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5192 be in effect immediately after the domestication becomes
5193 effective except for changes that do not require approval of the
5194 interest holders of the domesticating entity under its organic
5195 law or organic rules; or

5196 3. Any other terms or conditions of the plan, if the change
5197 would adversely affect the interest holder in any material
5198 respect.

5199 (2) After a plan of domestication has been approved and
5200 before the articles of domestication become effective, the plan
5201 may be abandoned as provided in the plan. Unless prohibited by
5202 the plan, the domesticating entity may abandon the plan in the
5203 same manner as the plan was approved.

5204 (3) If a plan of domestication is abandoned after articles
5205 of domestication have been delivered to the department for
5206 filing and before such articles of domestication have become
5207 effective, a statement of abandonment, signed by the
5208 domesticating entity, must be delivered to the department for
5209 filing before the articles of domestication become effective.
5210 The statement of abandonment takes effect on filing, and the
5211 domestication is abandoned and does not become effective. The
5212 statement of abandonment must contain the following:

5213 (a) The name of the domesticating entity.

5214 (b) The date on which the articles of domestication were
5215 delivered to the department for filing.

5216 (c) A statement that the domestication has been abandoned
5217 in accordance with this section.

5218 605.1055 Articles of domestication.—

5219 (1) The articles of domestication must be filed with the
5220 department. The articles of domestication must contain the

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5221 following:

5222 (a) The date on which the domesticating entity was first
5223 formed, incorporated, created, or otherwise came into being.

5224 (b) The name of the domesticating entity immediately before
5225 the filing of the articles of domestication.

5226 (c) The articles of organization of the domesticated
5227 limited liability company, as an attachment.

5228 (d) The effective date of the domestication as a limited
5229 liability company, if the effective date of the domestication is
5230 not the same as the date of filing of the articles of
5231 domestication, subject to the limitations contained in s.
5232 605.0207.

5233 (e) The jurisdiction that constituted the seat, siege
5234 social, or principal place of business or central administration
5235 of the domesticating entity, or any other equivalent thereto
5236 under the law of the jurisdiction of formation, immediately
5237 before the filing of the articles of domestication.

5238 (f) A statement that the domestication has been approved in
5239 accordance with the laws of the jurisdiction of formation of the
5240 domesticating entity.

5241 (2) In addition to the requirements of subsection (1),
5242 articles of domestication may contain any other provision not
5243 prohibited by law.

5244 (3) The articles of domestication which are filed with the
5245 department must be accompanied by a certificate of status or
5246 equivalent document, if any, from the domesticating entity's
5247 jurisdiction of formation.

5248 (4) The articles of domestication and the articles of
5249 organization of a domesticated limited liability company must

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5250 satisfy the requirements of the law of this state, and may be
5251 executed by an authorized representative and registered agent in
5252 accordance with this chapter.

5253 605.1056 Effect of domestication.—

5254 (1) When a domestication becomes effective:

5255 (a) The domesticated limited liability company is:

5256 1. Organized under and subject to the organic law of this
5257 state; and

5258 2. The same entity, without interruption, as the
5259 domesticating entity;

5260 (b) All property of the domesticating entity continues to
5261 be vested in the domesticated limited liability company without
5262 transfer, reversion, or impairment;

5263 (c) All debts, obligations, and other liabilities of the
5264 domesticating entity continue as debts, obligations, and other
5265 liabilities of the domesticated limited liability company;

5266 (d) Except as otherwise provided by law or the plan of
5267 domestication, all the rights, privileges, immunities, powers,
5268 and purposes of the domesticating entity remain in the
5269 domesticated limited liability company;

5270 (e) The name of the domesticated limited liability company
5271 may be substituted for the name of the domesticating entity in
5272 any pending action or proceeding;

5273 (f) The articles of organization of the domesticated
5274 limited liability company are effective;

5275 (g) The provisions of the private organic rules of the
5276 domesticated limited liability company which are to be in a
5277 record, if any, approved as part of the plan of domestication
5278 are effective; and

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5279 (h) The interests in the domesticating entity are converted
5280 to the extent and as approved in connection with the
5281 domestication, and the interest holders of the domesticating
5282 entity are entitled only to the rights provided to them under
5283 the plan of domestication.

5284 (2) Except as otherwise provided in the organic law or
5285 organic rules of the domesticating entity, the domestication
5286 does not give rise to any rights that an interest holder or
5287 third party would otherwise have upon a dissolution,
5288 liquidation, or winding up of the domesticating entity.

5289 (3) When a domestication becomes effective, a person who
5290 did not have interest holder liability with respect to the
5291 domesticating entity and becomes subject to interest holder
5292 liability with respect to the domesticated limited liability
5293 company as a result of the domestication has interest holder
5294 liability only to the extent provided by the organic law of the
5295 domesticating entity and only for those debts, obligations, and
5296 other liabilities that arise after the domestication becomes
5297 effective.

5298 (4) When a domestication becomes effective, the interest
5299 holder liability of a person who ceases to hold an interest in a
5300 domestic limited liability company with respect to which the
5301 person had interest holder liability is as follows:

5302 (a) The domestication does not discharge any interest
5303 holder liability under this chapter to the extent the interest
5304 holder liability arose before the domestication became
5305 effective;

5306 (b) A person does not have interest holder liability under
5307 this chapter for any debt, obligation, or other liability that

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5308 arises after the domestication becomes effective; and

5309 (c) The organic law of the jurisdiction of formation of the
5310 domesticating entity and any rights of contribution provided
5311 under such law, or the organic rules of the domesticating
5312 entity, continue to apply to the release, collection, or
5313 discharge of any interest holder liability preserved under
5314 paragraph (a) as if the domestication had not occurred.

5315 (5) When a domestication becomes effective, a domesticating
5316 entity that has become the domesticated limited liability
5317 company may be served with process in this state for the
5318 collection and enforcement of its debts, obligations, and
5319 liabilities as provided in s. 605.0117 and chapter 48.

5320 (6) If the domesticating entity is qualified to transact
5321 business in this state, the certificate of authority of the
5322 domesticating entity is canceled when the domestication becomes
5323 effective.

5324 (7) A domestication does not require the domesticating
5325 entity to wind up its affairs and does not constitute or cause
5326 the dissolution of the domesticating entity.

5327 605.1061 Appraisal rights; definitions.—The following
5328 definitions apply to s. 605.1006 and to ss. 605.1061-605.1072:

5329 (1) "Accrued interest" means interest from the effective
5330 date of the appraisal event to which the member objects until
5331 the date of payment, at the rate of interest determined for
5332 judgments in accordance with s. 55.03, determined as of the
5333 effective date of the appraisal event.

5334 (2) "Affiliate" means a person who directly or indirectly,
5335 through one or more intermediaries, controls, is controlled by,
5336 or is under common control with another person or is a senior

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5337 executive thereof. For purposes of s. 605.1006(4)(d), a person
5338 is deemed to be an affiliate of its senior executives.

5339 (3) "Appraisal event" means an event described in s.
5340 605.1006(1).

5341 (4) "Beneficial member" means a person who is the
5342 beneficial owner of a membership interest held in a voting trust
5343 or by a nominee on the beneficial owner's behalf.

5344 (5) "Fair value" means the value of the member's membership
5345 interest determined:

5346 (a) Immediately before the effectuation of the appraisal
5347 event to which the member objects;

5348 (b) Using customary and current valuation concepts and
5349 techniques generally employed for similar businesses in the
5350 context of the transaction requiring appraisal, excluding any
5351 appreciation or depreciation in anticipation of the transaction
5352 to which the member objects, unless exclusion would be
5353 inequitable to the limited liability company and its remaining
5354 members; and

5355 (c) Without discounting for lack of marketability or
5356 minority status.

5357 (6) "Limited liability company" means the limited liability
5358 company that issued the membership interest held by a member
5359 demanding appraisal and, for matters covered in ss. 605.1061-
5360 605.1072, includes the converted entity in a conversion or the
5361 surviving entity in a merger.

5362 (7) "Member" means a record member or a beneficial member.

5363 (8) "Membership interest" means a member's transferable
5364 interest and all other rights as a member of the limited
5365 liability company that issued the membership interest, including

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5366 voting rights, management rights, or other rights under this
5367 chapter or the organic rules of the limited liability company
5368 except, if the appraisal rights of a member under s. 605.1006
5369 pertain to only a certain class or series of a membership
5370 interest, the term "membership interest" means only the
5371 membership interest pertaining to such class or series.

5372 (9) "Record member" means each person who is identified as
5373 a member in the current list of members maintained for purposes
5374 of s. 605.1006 by the limited liability company, or to the
5375 extent the limited liability company has failed to maintain a
5376 current list, each person who is the rightful owner of a
5377 membership interest in the limited liability company. A
5378 transferee of a membership interest who has not been admitted as
5379 a member is not a record member.

5380 (10) "Senior executive" means a manager in a manager-
5381 managed limited liability company; a member in a member-managed
5382 limited liability company; or the chief executive officer, chief
5383 operating officer, chief financial officer, or president or any
5384 other person in charge of a principal business unit or function
5385 of a limited liability company, in charge of a manager in a
5386 manager-managed limited liability company, or in charge of a
5387 member in a member-managed limited liability company.

5388 605.1062 Assertion of rights by nominees and beneficial
5389 owners.-

5390 (1) A record member may assert appraisal rights as to less
5391 than all the membership interests registered in the record
5392 member's name which are owned by a beneficial member only if the
5393 record member objects with respect to all membership interests
5394 of the class or series owned by that beneficial member and

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5395 notifies the limited liability company in writing of the name
5396 and address of each beneficial member on whose behalf appraisal
5397 rights are being asserted. The rights of a record member who
5398 asserts appraisal rights for only part of the membership
5399 interests of the class or series held of record in the record
5400 member's name under this subsection shall be determined as if
5401 the membership interests to which the record member objects and
5402 the record member's other membership interests were registered
5403 in the names of different record members.

5404 (2) A beneficial member may assert appraisal rights as to a
5405 membership interest held on behalf of the member only if such
5406 beneficial member:

5407 (a) Submits to the limited liability company the record
5408 member's written consent to the assertion of such rights by the
5409 date provided in s. 605.1063(3)(b); and

5410 (b) Does so with respect to all membership interests of the
5411 class or series that are beneficially owned by the beneficial
5412 member.

5413 605.1063 Notice of appraisal rights.-

5414 (1) If a proposed appraisal event is to be submitted to a
5415 vote at a members' meeting, the meeting notice must state that
5416 the limited liability company has concluded that the members
5417 are, are not, or may be entitled to assert appraisal rights
5418 under this chapter.

5419 (2) If the limited liability company concludes that
5420 appraisal rights are or may be available, a copy of s. 605.1006
5421 and ss. 605.1061-605.1072 must accompany the meeting notice sent
5422 to those record members who are or may be entitled to exercise
5423 appraisal rights.

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5424 (3) If the appraisal event is to be approved other than by
5425 a members' meeting:

5426 (a) Written notice that appraisal rights are, are not, or
5427 may be available must be sent to each member from whom a consent
5428 is solicited at the time consent of such member is first
5429 solicited, and if the limited liability company has concluded
5430 that appraisal rights are or may be available, a copy of s.
5431 605.1006 and ss. 605.1061-605.1072 must accompany such written
5432 notice; or

5433 (b) Written notice that appraisal rights are, are not, or
5434 may be available must be delivered, at least 10 days before the
5435 appraisal event becomes effective, to all nonconsenting and
5436 nonvoting members, and, if the limited liability company has
5437 concluded that appraisal rights are or may be available, a copy
5438 of s. 605.1006 and ss. 605.1061-605.1072 must accompany such
5439 written notice.

5440 (4) If a particular appraisal event is proposed and the
5441 limited liability company concludes that appraisal rights are or
5442 may be available, the notice referred to in subsection (1),
5443 paragraph (3) (a), or paragraph (3) (b) must be accompanied by:

5444 (a) Financial statements of the limited liability company
5445 that issued the membership interests that may be or are subject
5446 to appraisal rights, consisting of a balance sheet as of the end
5447 of the fiscal year ending not more than 16 months before the
5448 date of the notice, an income statement for that fiscal year,
5449 and a cash flow statement for that fiscal year; however, if such
5450 financial statements are not reasonably available, the limited
5451 liability company shall provide reasonably equivalent financial
5452 information; and

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5453 (b) The latest available interim financial statements,
5454 including year-to-date through the end of the interim period, of
5455 such limited liability company, if any.

5456 (5) The right to receive the information described in
5457 subsection (4) may be waived in writing by a member before or
5458 after the appraisal event.

5459 605.1064 Notice of intent to demand payment.-

5460 (1) If a proposed appraisal event is submitted to a vote at
5461 a members' meeting, a member who is entitled to and who wishes
5462 to assert appraisal rights with respect to a class or series of
5463 membership interests:

5464 (a) Must deliver, before the vote is taken, to any other
5465 member of a member-managed limited liability company, to a
5466 manager of a manager-managed limited liability company, or, if
5467 the limited liability company has appointed officers, to an
5468 officer written notice of such person's intent to demand payment
5469 if the proposed appraisal event is effectuated; and

5470 (b) May not vote, or cause or permit to be voted, any
5471 membership interests of the class or series in favor of the
5472 appraisal event.

5473 (2) If a proposed appraisal event is to be approved by less
5474 than unanimous written consent of the members, a member who is
5475 entitled to and who wishes to assert appraisal rights with
5476 respect to a class or series of membership interests must not
5477 sign a consent in favor of the proposed appraisal event with
5478 respect to that class or series of membership interests.

5479 (3) A person who may otherwise be entitled to appraisal
5480 rights, but does not satisfy the requirements of subsection (1)
5481 or subsection (2), is not entitled to payment under s. 605.1006

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5482 and ss. 605.1061-605.1072.

5483 605.1065 Appraisal notice and form.-

5484 (1) If the proposed appraisal event becomes effective, the
5485 limited liability company must send a written appraisal notice
5486 and form required by paragraph (2) (a) to all members who satisfy
5487 the requirements of s. 605.1064(1) or (2).

5488 (2) The appraisal notice must be sent no earlier than the
5489 date the appraisal event became effective and within 10 days
5490 after such date and must:

5491 (a) Supply a form that specifies the date that the
5492 appraisal event became effective and that provides for the
5493 member to state:

5494 1. The member's name and address;

5495 2. The number, classes, and series of membership interests
5496 as to which the member asserts appraisal rights;

5497 3. That the member did not vote for or execute a written
5498 consent with respect to the transaction as to any classes or
5499 series of membership interests as to which the member asserts
5500 appraisal rights;

5501 4. Whether the member accepts the limited liability
5502 company's offer as stated in subparagraph (2) (b) 5.; and

5503 5. If the offer is not accepted, the member's estimated
5504 fair value of the membership interests and a demand for payment
5505 of the member's estimated value plus accrued interest.

5506 (b) State:

5507 1. Where the form described in paragraph (a) must be sent;

5508 2. A date by which the limited liability company must
5509 receive the form, which date may not be less than 40 days or
5510 more than 60 days after the date the appraisal notice and form

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5511 described in this section are sent, and that the member is
5512 considered to have waived the right to demand appraisal with
5513 respect to the membership interests unless the form is received
5514 by the limited liability company by such specified date;

5515 3. In the case of membership interests represented by a
5516 certificate, the location at which certificates for the
5517 certificated membership interests must be deposited, if that
5518 action is required by the limited liability company and the date
5519 by which those certificates must be deposited, which may not be
5520 earlier than the date for receiving the required form under
5521 subparagraph 2.;

5522 4. The limited liability company's estimate of the fair
5523 value of the membership interests;

5524 5. An offer to each member who is entitled to appraisal
5525 rights to pay the limited liability company's estimate of fair
5526 value provided in subparagraph 4.;

5527 6. That, if requested in writing, the limited liability
5528 company will provide to the member so requesting, within 10 days
5529 after the date specified in subparagraph 2., the number of
5530 members who return the forms by the specified date and the total
5531 number of membership interests owned by such members;

5532 7. The date by which the notice to withdraw under s.
5533 605.1066 must be received, which date must be within 20 days
5534 after the date specified in subparagraph 2.; and

5535 8. If not previously provided, accompanied by a copy of s.
5536 605.1006 and ss. 605.1061-605.1072.

5537 605.1066 Perfection of rights; right to withdraw.-

5538 (1) A member who receives notice pursuant to s. 605.1065
5539 and wishes to exercise appraisal rights must sign and return the

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5540 form received pursuant to s. 605.1065 (1) and, in the case of
5541 certificated membership interests and if the limited liability
5542 company so requires, deposit the member's certificates in
5543 accordance with the terms of the notice by the date referred to
5544 in the notice pursuant to s. 605.1065 (2) (b)2. Once a member
5545 deposits that member's certificates or, in the case of
5546 uncertificated membership interests, returns the signed form
5547 described in s. 605.1065 (2), the member loses all rights as a
5548 member, unless the member withdraws pursuant to subsection (2).
5549 Upon receiving a demand for payment from a member who holds an
5550 uncertificated membership interest, the limited liability
5551 company shall make an appropriate notation of the demand for
5552 payment in its records and shall restrict the transfer of the
5553 membership interest, or the applicable class or series, from the
5554 date the member delivers the items required by this section.

5555 (2) A member who has complied with subsection (1) may
5556 nevertheless decline to exercise appraisal rights and withdraw
5557 from the appraisal process by so notifying the limited liability
5558 company in writing by the date provided in the appraisal notice
5559 pursuant to s. 605.1065(2) (b)7. A member who fails to notify the
5560 limited liability company in writing of the withdrawal by the
5561 date provided in the appraisal notice may not thereafter
5562 withdraw without the limited liability company's written
5563 consent.

5564 (3) A member who does not sign and return the form and, in
5565 the case of certificated membership interests, deposit that
5566 member's certificates, if so required by the limited liability
5567 company, each by the date set forth in the notice described in
5568 s. 605.1065(2) (a), is not entitled to payment under s. 605.1006

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5569 and ss. 605.1061-605.1072.

5570 (4) If the member's right to receive fair value is
5571 terminated other than by the purchase of the membership interest
5572 by the limited liability company, all rights of the member, with
5573 respect to such membership interest, shall be reinstated
5574 effective as of the date the member delivered the items required
5575 by subsection (1), including the right to receive any
5576 intervening payment or other distribution with respect to such
5577 membership interest, or, if any such rights have expired or any
5578 such distribution other than a cash payment has been completed,
5579 in lieu thereof at the election of the limited liability
5580 company, the fair value thereof in cash as determined by the
5581 limited liability company as of the time of such expiration or
5582 completion, but without prejudice otherwise to any action or
5583 proceeding of the limited liability company that may have been
5584 taken by the limited liability company on or after the date the
5585 member delivered the items required by subsection (1).

5586 605.1067 Member's acceptance of limited liability company's
5587 offer.

5588 (1) If the member states on the form provided in s.
5589 605.1065(1) that the member accepts the offer of the limited
5590 liability company to pay the limited liability company's
5591 estimated fair value for the membership interest, the limited
5592 liability company shall make the payment to the member within 90
5593 days after the limited liability company's receipt of the items
5594 required by s. 605.1066(1).

5595 (2) Upon payment of the agreed value, the member shall
5596 cease to have an interest in the membership interest.

5597 605.1068 Procedure if member is dissatisfied with offer.-

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5598 (1) A member who is dissatisfied with the limited liability
5599 company's offer as provided pursuant to s. 605.1065(2)(b)4. must
5600 notify the limited liability company on the form provided
5601 pursuant to s. 605.1065(1) of the member's estimate of the fair
5602 value of the membership interest and demand payment of that
5603 estimate plus accrued interest.

5604 (2) A member who fails to notify the limited liability
5605 company in writing of the member's demand to be paid the
5606 member's estimate of the fair value plus interest under
5607 subsection (1) within the timeframe provided in s.
5608 605.1065(2)(b)2. waives the right to demand payment under this
5609 section and is entitled only to the payment offered by the
5610 limited liability company pursuant to s. 605.1065(2)(b)4.

5611 605.1069 Court action.-

5612 (1) If a member makes demand for payment under s. 605.1068
5613 which remains unsettled, the limited liability company shall
5614 commence a proceeding within 60 days after receiving the payment
5615 demand and petition the court to determine the fair value of the
5616 membership interest plus accrued interest from the date of the
5617 appraisal event. If the limited liability company does not
5618 commence the proceeding within the 60-day period, any member who
5619 has made a demand pursuant to s. 605.1068 may commence the
5620 proceeding in the name of the limited liability company.

5621 (2) The proceeding must be commenced in the appropriate
5622 court of the county in which the limited liability company's
5623 principal office in this state is located or, if none, the
5624 county in which its registered agent is located. If by virtue of
5625 the appraisal event becoming effective the entity has become a
5626 foreign entity without a registered agent in this state, the

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5627 proceeding must be commenced in the county in this state in
5628 which the principal office or registered agent of the limited
5629 liability company was located immediately before the time the
5630 appraisal event became effective; if it has, and immediately
5631 before the appraisal event became effective had no principal
5632 office in this state, then in the county in which the limited
5633 liability company has, or immediately before the time the
5634 appraisal event became effective had, an office in this state;
5635 or if none in this state, then in the county in which the
5636 limited liability company's registered office is or was last
5637 located.

5638 (3) All members, whether or not residents of this state,
5639 whose demands remain unsettled shall be made parties to the
5640 proceeding as in an action against their membership interests.
5641 The limited liability company shall serve a copy of the initial
5642 pleading in such proceeding upon each member-party who is a
5643 resident of this state in the manner provided by law for the
5644 service of a summons and complaint and upon each nonresident
5645 member-party by registered or certified mail or by publication
5646 as provided by law.

5647 (4) The jurisdiction of the court in which the proceeding
5648 is commenced under subsection (2) is plenary and exclusive. If
5649 it so elects, the court may appoint one or more persons as
5650 appraisers to receive evidence and recommend a decision on the
5651 question of fair value. The appraisers shall have the powers
5652 described in the order appointing them or in an amendment to the
5653 order. The members demanding appraisal rights are entitled to
5654 the same discovery rights as parties in other civil proceedings.
5655 There is no right to a jury trial.

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5656 (5) Each member who is made a party to the proceeding is
5657 entitled to judgment for the amount of the fair value of such
5658 member's membership interests, plus interest, as found by the
5659 court.

5660 (6) The limited liability company shall pay each such
5661 member the amount found to be due within 10 days after final
5662 determination of the proceedings. Upon payment of the judgment,
5663 the member ceases to have any interest in the membership
5664 interests.

5665 605.1070 Court costs and attorney fees.—

5666 (1) The court in an appraisal proceeding shall determine
5667 all costs of the proceeding, including the reasonable
5668 compensation and expenses of appraisers appointed by the court.
5669 The court shall assess the costs against the limited liability
5670 company, except that the court may assess costs against all or
5671 some of the members demanding appraisal, in amounts the court
5672 finds equitable, to the extent the court finds the members acted
5673 arbitrarily, vexatiously, or not in good faith with respect to
5674 the rights provided by this chapter.

5675 (2) The court in an appraisal proceeding may also assess
5676 the expenses incurred by the respective parties, in amounts the
5677 court finds equitable:

5678 (a) Against the limited liability company and in favor of
5679 any or all members demanding appraisal, if the court finds the
5680 limited liability company did not substantially comply with the
5681 requirements of ss. 605.1061-605.1072; or

5682 (b) Against either the limited liability company or a
5683 member demanding appraisal, in favor of another party, if the
5684 court finds that the party against whom the expenses are

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5685 assessed acted arbitrarily, vexatiously, or not in good faith
5686 with respect to the rights provided by this chapter.

5687 (3) If the court in an appraisal proceeding finds that the
5688 expenses incurred by any member were of substantial benefit to
5689 other members similarly situated and should not be assessed
5690 against the limited liability company, the court may direct that
5691 the expenses be paid out of the amounts awarded the members who
5692 were benefited.

5693 (4) To the extent the limited liability company fails to
5694 make a required payment pursuant to s. 605.1067 or s. 605.1069,
5695 the member may sue the limited liability company directly for
5696 the amount owed and, to the extent successful, is entitled to
5697 recover from the limited liability company all costs and
5698 expenses of the suit, including attorney fees.

5699 605.1071 Limitation on limited liability company payment.-

5700 (1) Payment may not be made to a member seeking appraisal
5701 rights if, at the time of payment, the limited liability company
5702 is unable to meet the distribution standards of s. 605.0405. In
5703 such event, the member shall, at the member's option:

5704 (a) Withdraw the notice of intent to assert appraisal
5705 rights, which is deemed withdrawn with the consent of the
5706 limited liability company; or

5707 (b) Retain the status as a claimant against the limited
5708 liability company and, if the limited liability company is
5709 liquidated, be subordinated to the rights of creditors of the
5710 limited liability company, but have rights superior to the
5711 members not asserting appraisal rights and, if the limited
5712 liability company is not liquidated, retain the right to be paid
5713 for the membership interest, which right the limited liability

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5714 company shall be obligated to satisfy when the restrictions of
5715 this section do not apply.

5716 (2) The member shall exercise the option under subparagraph
5717 (1) (a) or subparagraph (1) (b) by written notice filed with the
5718 limited liability company within 30 days after the limited
5719 liability company has given written notice that the payment for
5720 the membership interests cannot be made because of the
5721 restrictions of this section. If the member fails to exercise
5722 the option, the member is deemed to have withdrawn the notice of
5723 intent to assert appraisal rights.

5724 605.1072 Other remedies limited.-

5725 (1) The legality of a proposed or completed appraisal event
5726 may not be contested, and the appraisal event may not be
5727 enjoined, set aside, or rescinded, in a legal or equitable
5728 proceeding by a member after the members have approved the
5729 appraisal event.

5730 (2) Subsection (1) does not apply to an appraisal event
5731 that:

5732 (a) Was not authorized and approved in accordance with the
5733 applicable provisions of this chapter, the organic rules of the
5734 limited liability company, or the resolutions of the members
5735 authorizing the appraisal event;

5736 (b) Was procured as a result of fraud, a material
5737 misrepresentation, or an omission of a material fact that is
5738 necessary to make statements made, in light of the circumstances
5739 in which they were made, not misleading; or

5740 (c) Is an interested transaction, unless it has been
5741 approved in the same manner as is provided in s. 605.04092 or is
5742 fair to the limited liability company as defined in s.

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5743 605.04092(1)(c).

5744 605.1101 Uniformity of application and construction.—In
5745 applying and construing this chapter, consideration must be
5746 given to the need to promote uniformity of the law with respect
5747 to the uniform act upon which it is based.

5748 605.1102 Relation to Electronic Signatures in Global and
5749 National Commerce Act.—This chapter modifies, limits, and
5750 supersedes the Electronic Signatures in Global and National
5751 Commerce Act, 15 U.S.C. s. 7001 et seq., but does not modify,
5752 limit, or supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c),
5753 or authorize electronic delivery of the notices described in s.
5754 103(b) of that act, 15 U.S.C. s. 7003(b). Notwithstanding the
5755 foregoing, this chapter does not operate to modify, limit, or
5756 supersede any provisions of s. 15.16, s. 116.34, or s. 668.50.

5757 605.1103 Tax exemption on income of certain limited
5758 liability companies.—

5759 (1) A limited liability company classified as a partnership
5760 for federal income tax purposes, or a single-member limited
5761 liability company that is disregarded as an entity separate from
5762 its owner for federal income tax purposes, and organized
5763 pursuant to this chapter or qualified to do business in this
5764 state as a foreign limited liability company is not an
5765 “artificial entity” within the purview of s. 220.02 and is not
5766 subject to the tax imposed under chapter 220. If a single-member
5767 limited liability company is disregarded as an entity separate
5768 from its owner for federal income tax purposes, its activities
5769 are, for purposes of taxation under chapter 220, treated in the
5770 same manner as a sole proprietorship, branch, or division of the
5771 owner.

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5772 (2) For purposes of taxation under chapter 220, a limited
5773 liability company formed in this state or a foreign limited
5774 liability company with a certificate of authority to transact
5775 business in this state shall be classified as a partnership or a
5776 limited liability company that has only one member shall be
5777 disregarded as an entity separate from its owner for federal
5778 income tax purposes, unless classified otherwise for federal
5779 income tax purposes, in which case the limited liability company
5780 shall be classified identically to its classification for
5781 federal income tax purposes. For purposes of taxation under
5782 chapter 220, a member or a transferee of a member of a limited
5783 liability company formed in this state or a foreign limited
5784 liability company with a certificate of authority to transact
5785 business in this state shall be treated as a resident or
5786 nonresident partner unless classified otherwise for federal
5787 income tax purposes, in which case the member or transferee of a
5788 member has the same status as the member or transferee of a
5789 member has for federal income tax purposes.

5790 (3) Single-member limited liability companies and other
5791 entities that are disregarded for federal income tax purposes
5792 must be treated as separate legal entities for all non-income
5793 tax purposes. The Department of Revenue shall adopt rules to
5794 take into account that single-member disregarded entities such
5795 as limited liability companies and qualified subchapter S
5796 corporations may be disregarded as separate entities for federal
5797 tax purposes and therefore may report and account for income,
5798 employment, and other taxes under the taxpayer identification
5799 number of the owner of the single-member entity.

5800 605.1104 Interrogatories by department; other powers of

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5801 department.-

5802 (1) The department may direct to any limited liability
5803 company or foreign limited liability company subject to this
5804 chapter, and to a member or manager of any limited liability
5805 company or foreign limited liability company subject to this
5806 chapter, interrogatories reasonably necessary and proper to
5807 enable the department to ascertain whether the limited liability
5808 company or foreign limited liability company has complied with
5809 the provisions of this chapter applicable to the limited
5810 liability company or foreign limited liability company. The
5811 interrogatories must be answered within 30 days after the date
5812 of mailing, or within such additional time as fixed by the
5813 department. The answers to the interrogatories must be full and
5814 complete and must be made in writing and under oath. If the
5815 interrogatories are directed to an individual, they must be
5816 answered by the individual, and if directed to a limited
5817 liability company or foreign limited liability company, they
5818 must be answered by a manager of a manager-managed company, a
5819 member of a member-managed company, or other applicable governor
5820 if a foreign limited liability company is not member-managed or
5821 manager managed, or a fiduciary if the company is in the hands
5822 of a receiver, trustee, or other court-appointed fiduciary.

5823 (2) The department need not file a record in a court of
5824 competent jurisdiction to which the interrogatories relate until
5825 the interrogatories are answered as provided in this chapter,
5826 and is not required to file a record if the answers disclose
5827 that the record is not in conformity with the requirements of
5828 this chapter or if the department has determined that the
5829 parties to such document have not paid all fees, taxes, and

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5830 penalties due and owing this state. The department shall certify
5831 to the Department of Legal Affairs, for such action as the
5832 Department of Legal Affairs may deem appropriate, all
5833 interrogatories and answers that disclose a violation of this
5834 chapter.

5835 (3) The department may, based upon its findings under this
5836 section or as provided in s. 213.053(15), bring an action in
5837 circuit court to collect any penalties, fees, or taxes
5838 determined to be due and owing the state and to compel any
5839 filing, qualification, or registration required by law. In
5840 connection with such proceeding, the department may, without
5841 prior approval by the court, file a lis pendens against any
5842 property owned by the limited liability company and may further
5843 certify any findings to the Department of Legal Affairs for the
5844 initiation of an action permitted pursuant to this chapter which
5845 the Department of Legal Affairs may deem appropriate.

5846 (4) The department has the power and authority reasonably
5847 necessary to administer this chapter efficiently, to perform the
5848 duties herein imposed upon it, and to adopt reasonable rules
5849 necessary to carry out its duties and functions under this
5850 chapter.

5851 605.1105 Reservation of power to amend or repeal.—The
5852 Legislature has the power to amend or repeal all or part of this
5853 chapter at any time, and all domestic and foreign limited
5854 liability companies subject to this chapter shall be governed by
5855 the amendment or repeal.

5856 605.1106 Savings clause.—

5857 (1) Except as provided in subsection (2), the repeal of a
5858 statute by this chapter does not affect:

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5859 (a) The operation of the statute or an action taken under
5860 it before its repeal, including, without limiting the generality
5861 of the foregoing, the continuing validity of any provision of
5862 the articles of organization, regulations, or operating
5863 agreements of a limited liability company authorized under the
5864 statute at the time of its adoption;

5865 (b) Any ratification, right, remedy, privilege, obligation,
5866 or liability acquired, accrued, or incurred under the statute
5867 before its repeal;

5868 (c) Any violation of the statute or any penalty,
5869 forfeiture, or punishment incurred because of the violation,
5870 before its repeal; or

5871 (d) Any proceeding, merger, sale of assets, reorganization,
5872 or dissolution commenced under the statute before its repeal,
5873 and the proceeding, merger, sale of assets, reorganization, or
5874 dissolution may be completed in accordance with the statute as
5875 if it had not been repealed.

5876 (2) If a penalty or punishment imposed for violation of a
5877 statute is reduced by this chapter, the penalty or punishment,
5878 if not already imposed, shall be imposed in accordance with this
5879 chapter.

5880 (3) This chapter does not affect an action commenced,
5881 proceeding brought, or right accrued before this chapter takes
5882 effect.

5883 605.1107 Severability clause.—If any provision of this
5884 chapter or its application to any person or circumstance is held
5885 invalid, the invalidity does not affect other provisions or
5886 applications of this chapter which can be given effect without
5887 the invalid provision or application, and to this end the

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5888 provisions of this chapter are severable.

5889 605.1108 Application to limited liability company formed
5890 under the Florida Limited Liability Company Act.-

5891 (1) Subject to subsection (4), before January 1, 2015, this
5892 chapter governs only:

5893 (a) A limited liability company formed on or after January
5894 1, 2014; and

5895 (b) A limited liability company formed before January 1,
5896 2014, which elects, in the manner provided in its operating
5897 agreement or by law for amending the operating agreement, to be
5898 subject to this chapter.

5899 (2) On or after January 1, 2015, this chapter governs all
5900 limited liability companies.

5901 (3) For the purpose of applying this chapter to a limited
5902 liability company formed before January 1, 2014, under the
5903 Florida Limited Liability Company Act, ss. 608.401-608.705:

5904 (a) The company's articles of organization are deemed to be
5905 the company's articles of organization under this chapter; and

5906 (b) For the purpose of applying s. 605.0102(39), the
5907 language in the company's articles of organization designating
5908 the company's management structure operates as if that language
5909 were in the operating agreement.

5910 (4) Notwithstanding the provisions of subsections (1) and
5911 (2), effective January 1, 2014, all documents, instruments, and
5912 other records submitted to the department must comply with the
5913 filing requirements stipulated by this chapter.

5914 Section 3. Section 48.062, Florida Statutes, is created to
5915 read:

5916 48.062 Service on a limited liability company.-

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5917 (1) Process against a limited liability company, domestic
5918 or foreign, may be served on the registered agent designated by
5919 the limited liability company under chapter 605 or chapter 608.
5920 A person attempting to serve process pursuant to this subsection
5921 may serve the process on any employee of the registered agent
5922 during the first attempt at service even if the registered agent
5923 is a natural person and is temporarily absent from his or her
5924 office.

5925 (2) If service cannot be made on a registered agent of the
5926 limited liability company because of failure to comply with
5927 chapter 605 or chapter 608 or because the limited liability
5928 company does not have a registered agent, or if its registered
5929 agent cannot with reasonable diligence be served, process
5930 against the limited liability company, domestic or foreign, may
5931 be served:

5932 (a) On a member of a member-managed limited liability
5933 company;

5934 (b) On a manager of a manager-managed limited liability
5935 company; or

5936 (c) If a member or manager is not available during regular
5937 business hours to accept service on behalf of the limited
5938 liability company, he, she, or it may designate an employee of
5939 the limited liability company to accept such service. After one
5940 attempt to serve a member, manager, or designated employee has
5941 been made, process may be served on the person in charge of the
5942 limited liability company during regular business hours.

5943 (3) If, after reasonable diligence, service of process
5944 cannot be completed under subsection (1) or (2), service of
5945 process may be effected by service upon the Secretary of State

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5946 as agent of the limited liability company as provided for in s.
5947 48.181.

5948 (4) If the address provided for the registered agent,
5949 member or manager is a residence or private mailbox, service on
5950 the limited liability company, domestic or foreign, may be made
5951 by serving the registered agent, member or manager in accordance
5952 with s. 48.031.

5953 (5) This section does not apply to service of process on
5954 insurance companies.

5955 Section 4. Effective January 1, 2015, the Florida Limited
5956 Liability Company Act, consisting of ss. 608.401-608.705,
5957 Florida Statutes, is repealed.

5958 Section 5. Subsection (3) of section 607.1109, Florida
5959 Statutes, is amended to read:

5960 607.1109 Articles of merger.-

5961 (3) A domestic corporation is not required to file articles
5962 of merger pursuant to subsection (1) if the domestic corporation
5963 is named as a party or constituent organization in articles of
5964 merger or a certificate of merger filed for the same merger in
5965 accordance with s. 605.1025, s. 608.4382(1), s. 617.1108, s.
5966 620.2108(3), or s. 620.8918(1) and (2), and if the articles of
5967 merger or certificate of merger substantially complies with the
5968 requirements of this section. In such a case, the other articles
5969 of merger or certificate of merger may also be used for purposes
5970 of subsection (2).

5971 Section 6. Effective January 1, 2015, subsection (3) of
5972 section 607.1109, Florida Statutes, is amended to read:

5973 607.1109 Articles of merger.-

5974 (3) A domestic corporation is not required to file articles

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5975 of merger pursuant to subsection (1) if the domestic corporation
5976 is named as a party or constituent organization in articles of
5977 merger or a certificate of merger filed for the same merger in
5978 accordance with s. 605.1025, ~~s. 608.4382(1)~~, s. 617.1108, s.
5979 620.2108(3), or s. 620.8918(1) and (2), and if the articles of
5980 merger or certificate of merger substantially complies with the
5981 requirements of this section. In such a case, the other articles
5982 of merger or certificate of merger may also be used for purposes
5983 of subsection (2).

5984 Section 7. Subsection (3) of section 607.1113, Florida
5985 Statutes, is amended to read:

5986 607.1113 Certificate of conversion.—

5987 (3) A converting domestic corporation is not required to
5988 file a certificate of conversion pursuant to subsection (1) if
5989 the converting domestic corporation files articles of conversion
5990 or a certificate of conversion that substantially complies with
5991 the requirements of this section pursuant to s. 605.1041, s.
5992 608.439, s. 620.2104(1)(b), or s. 620.8914(1)(b) and contains
5993 the signatures required by this chapter. In such a case, the
5994 other certificate of conversion may also be used for purposes of
5995 subsection (2).

5996 Section 8. Effective January 1, 2015, subsection (3) of
5997 section 607.1113, Florida Statutes, is amended to read:

5998 607.1113 Certificate of conversion.—

5999 (3) A converting domestic corporation is not required to
6000 file a certificate of conversion pursuant to subsection (1) if
6001 the converting domestic corporation files articles of conversion
6002 or a certificate of conversion that substantially complies with
6003 the requirements of this section pursuant to s. 605.1041, ~~s.~~

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6004 ~~608.439~~, s. 620.2104(1)(b), or s. 620.8914(1)(b) and contains
6005 the signatures required by this chapter. In such a case, the
6006 other certificate of conversion may also be used for purposes of
6007 subsection (2).

6008 Section 9. Subsections (1) and (2) of section 607.193,
6009 Florida Statutes, are amended to read:

6010 607.193 Supplemental corporate fee.—

6011 (1) In addition to any other taxes imposed by law, an
6012 annual supplemental corporate fee of \$88.75 is imposed on each
6013 business entity that is authorized to transact business in this
6014 state and is required to file an annual report with the
6015 Department of State under s. 605.0212, s. 607.1622, s. 608.4511,
6016 or s. 620.1210.

6017 (2) (a) The business entity shall remit the supplemental
6018 corporate fee to the Department of State at the time it files
6019 the annual report required by s. 605.0212, s. 607.1622, s.
6020 608.4511, or s. 620.1210.

6021 (b) In addition to the fees levied under ss. 607.0122~~7~~
6022 ~~608.4527~~, and 620.1109, s. 605.0213 or s. 608.452, and the
6023 supplemental corporate fee, a late charge of \$400 shall be
6024 imposed if the supplemental corporate fee is remitted after May
6025 1 except in circumstances in which a business entity was
6026 administratively dissolved or its certificate of authority was
6027 revoked due to its failure to file an annual report and the
6028 entity subsequently applied for reinstatement and paid the
6029 applicable reinstatement fee.

6030 Section 10. Effective January 1, 2015, subsections (1) and
6031 (2) of section 607.193, Florida Statutes, are amended to read:

6032 607.193 Supplemental corporate fee.—

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6033 (1) In addition to any other taxes imposed by law, an
6034 annual supplemental corporate fee of \$88.75 is imposed on each
6035 business entity that is authorized to transact business in this
6036 state and is required to file an annual report with the
6037 Department of State under s. 605.0212, s. 607.1622, ~~s. 608.4511~~,
6038 or s. 620.1210.

6039 (2) (a) The business entity shall remit the supplemental
6040 corporate fee to the Department of State at the time it files
6041 the annual report required by s. 605.0212, s. 607.1622, ~~s.~~
6042 ~~608.4511~~, or s. 620.1210.

6043 (b) In addition to the fees levied under ss. 605.0213,
6044 607.0122, ~~608.452~~, and 620.1109 and the supplemental corporate
6045 fee, a late charge of \$400 shall be imposed if the supplemental
6046 corporate fee is remitted after May 1 except in circumstances in
6047 which a business entity was administratively dissolved or its
6048 certificate of authority was revoked due to its failure to file
6049 an annual report and the entity subsequently applied for
6050 reinstatement and paid the applicable reinstatement fee.

6051 Section 11. Subsection (2) of section 617.1108, Florida
6052 Statutes, is amended to read:

6053 617.1108 Merger of domestic corporation and other business
6054 entities.—

6055 (2) A domestic corporation not for profit organized under
6056 this chapter is not required to file articles of merger pursuant
6057 to this section if the corporation not for profit is named as a
6058 party or constituent organization in articles of merger or a
6059 certificate of merger filed for the same merger in accordance
6060 with s. 605.1025, s. 607.1109, s. 608.4382(1), s. 620.2108(3),
6061 or s. 620.8918(1) and (2). In such a case, the other articles of

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6062 merger or certificate of merger may also be used for purposes of
6063 subsection (3).

6064 Section 12. Effective January 1, 2015, subsection (2) of
6065 section 617.1108, Florida Statutes, is amended to read:

6066 617.1108 Merger of domestic corporation and other business
6067 entities.—

6068 (2) A domestic corporation not for profit organized under
6069 this chapter is not required to file articles of merger pursuant
6070 to this section if the corporation not for profit is named as a
6071 party or constituent organization in articles of merger or a
6072 certificate of merger filed for the same merger in accordance
6073 with s. 605.1025, s. 607.1109, ~~s. 608.4382(1)~~, s. 620.2108(3),
6074 or s. 620.8918(1) and (2). In such a case, the other articles of
6075 merger or certificate of merger may also be used for purposes of
6076 subsection (3).

6077 Section 13. Paragraph (c) of subsection (1) of section
6078 620.2104, Florida Statutes, is amended to read:

6079 620.2104 Filings required for conversion; effective date.—

6080 (1) After a plan of conversion is approved:

6081 (c) A converting limited partnership is not required to
6082 file a certificate of conversion pursuant to paragraph (a) if
6083 the converting limited partnership files articles of conversion
6084 or a certificate of conversion that substantially complies with
6085 the requirements of this section pursuant to s. 605.1041, s.
6086 607.1115, s. 608.439, or s. 620.8914(1)(b) and contains the
6087 signatures required by this chapter. In such a case, the other
6088 certificate of conversion may also be used for purposes of s.
6089 620.2105(4).

6090 Section 14. Effective January 1, 2015, paragraph (c) of

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6091 subsection (1) of section 620.2104, Florida Statutes, is amended
6092 to read:

6093 620.2104 Filings required for conversion; effective date.—

6094 (1) After a plan of conversion is approved:

6095 (c) A converting limited partnership is not required to
6096 file a certificate of conversion pursuant to paragraph (a) if
6097 the converting limited partnership files articles of conversion
6098 or a certificate of conversion that substantially complies with
6099 the requirements of this section pursuant to s. 605.1041, s.
6100 607.1115, ~~s. 608.439~~, or s. 620.8914(1)(b) and contains the
6101 signatures required by this chapter. In such a case, the other
6102 certificate of conversion may also be used for purposes of s.
6103 620.2105(4).

6104 Section 15. Subsection (3) of section 620.2108, Florida
6105 Statutes, is amended to read:

6106 620.2108 Filings required for merger; effective date.—

6107 (3) Each constituent limited partnership shall deliver the
6108 certificate of merger for filing in the Department of State
6109 unless the constituent limited partnership is named as a party
6110 or constituent organization in articles of merger or a
6111 certificate of merger filed for the same merger in accordance
6112 with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,
6113 or s. 620.8918(1) and (2) and such articles of merger or
6114 certificate of merger substantially complies with the
6115 requirements of this section. In such a case, the other articles
6116 of merger or certificate of merger may also be used for purposes
6117 of s. 620.2109(3).

6118 Section 16. Effective January 1, 2015, subsection (3) of
6119 section 620.2108, Florida Statutes, is amended to read:

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6120 620.2108 Filings required for merger; effective date.-

6121 (3) Each constituent limited partnership shall deliver the
6122 certificate of merger for filing in the Department of State
6123 unless the constituent limited partnership is named as a party
6124 or constituent organization in articles of merger or a
6125 certificate of merger filed for the same merger in accordance
6126 with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,
6127 or s. 620.8918(1) and (2) and such articles of merger or
6128 certificate of merger substantially complies with the
6129 requirements of this section. In such a case, the other articles
6130 of merger or certificate of merger may also be used for purposes
6131 of s. 620.2109(3).

6132 Section 17. Subsection (1) of section 620.8914, Florida
6133 Statutes, is amended to read:

6134 620.8914 Filings required for conversion; effective date.-

6135 (1) After a plan of conversion is approved:

6136 (a) A converting partnership shall deliver to the
6137 Department of State for filing a registration statement in
6138 accordance with s. 620.8105, if such statement was not
6139 previously filed, and a certificate of conversion, in accordance
6140 with s. 620.8105, which must include:

6141 1. A statement that the partnership has been converted into
6142 another organization.

6143 2. The name and form of the organization and the
6144 jurisdiction of its governing law.

6145 3. The date the conversion is effective under the governing
6146 law of the converted organization.

6147 4. A statement that the conversion was approved as required
6148 by this act.

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6149 5. A statement that the conversion was approved as required
6150 by the governing law of the converted organization.

6151 6. If the converted organization is a foreign organization
6152 not authorized to transact business in this state, the street
6153 and mailing address of an office which the Department of State
6154 may use for the purposes of s. 620.8915(3).

6155 (b) In the case of a converting organization converting
6156 into a partnership to be governed by this act, the converting
6157 organization shall deliver to the Department of State for
6158 filing:

6159 1. A registration statement in accordance with s. 620.8105.

6160 2. A certificate of conversion, in accordance with s.
6161 620.8105, signed by a general partner of the partnership in
6162 accordance with s. 620.8105(6) and by the converting
6163 organization as required by applicable law, which certificate of
6164 conversion must include:

6165 a. A statement that the partnership was converted from
6166 another organization.

6167 b. The name and form of the converting organization and the
6168 jurisdiction of its governing law.

6169 c. A statement that the conversion was approved as required
6170 by this act.

6171 d. A statement that the conversion was approved in a manner
6172 that complied with the converting organization's governing law.

6173 e. The effective time of the conversion, if other than the
6174 time of the filing of the certificate of conversion.

6175

6176 A converting domestic partnership is not required to file a
6177 certificate of conversion pursuant to paragraph (a) if the

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6178 converting domestic partnership files articles of conversion or
6179 a certificate of conversion that substantially complies with the
6180 requirements of this section pursuant to s. 605.1041, s.
6181 607.1115, s. 608.439, or s. 620.2104(1)(b) and contains the
6182 signatures required by this chapter. In such a case, the other
6183 certificate of conversion may also be used for purposes of s.
6184 620.8915(4).

6185 Section 18. Effective January 1, 2015, subsection (1) of
6186 section 620.8914, Florida Statutes, is amended to read:

6187 620.8914 Filings required for conversion; effective date.-

6188 (1) After a plan of conversion is approved:

6189 (a) A converting partnership shall deliver to the
6190 Department of State for filing a registration statement in
6191 accordance with s. 620.8105, if such statement was not
6192 previously filed, and a certificate of conversion, in accordance
6193 with s. 620.8105, which must include:

6194 1. A statement that the partnership has been converted into
6195 another organization.

6196 2. The name and form of the organization and the
6197 jurisdiction of its governing law.

6198 3. The date the conversion is effective under the governing
6199 law of the converted organization.

6200 4. A statement that the conversion was approved as required
6201 by this act.

6202 5. A statement that the conversion was approved as required
6203 by the governing law of the converted organization.

6204 6. If the converted organization is a foreign organization
6205 not authorized to transact business in this state, the street
6206 and mailing address of an office which the Department of State

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6207 may use for the purposes of s. 620.8915(3).

6208 (b) In the case of a converting organization converting
6209 into a partnership to be governed by this act, the converting
6210 organization shall deliver to the Department of State for
6211 filing:

6212 1. A registration statement in accordance with s. 620.8105.

6213 2. A certificate of conversion, in accordance with s.
6214 620.8105, signed by a general partner of the partnership in
6215 accordance with s. 620.8105(6) and by the converting
6216 organization as required by applicable law, which certificate of
6217 conversion must include:

6218 a. A statement that the partnership was converted from
6219 another organization.

6220 b. The name and form of the converting organization and the
6221 jurisdiction of its governing law.

6222 c. A statement that the conversion was approved as required
6223 by this act.

6224 d. A statement that the conversion was approved in a manner
6225 that complied with the converting organization's governing law.

6226 e. The effective time of the conversion, if other than the
6227 time of the filing of the certificate of conversion.

6228

6229 A converting domestic partnership is not required to file a
6230 certificate of conversion pursuant to paragraph (a) if the
6231 converting domestic partnership files articles of conversion or
6232 a certificate of conversion that substantially complies with the
6233 requirements of this section pursuant to s. 605.1041, s.

6234 607.1115, s. ~~608.439~~, or s. 620.2104(1)(b) and contains the

6235 signatures required by this chapter. In such a case, the other

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6236 certificate of conversion may also be used for purposes of s.
6237 620.8915(4).

6238 Section 19. Subsection (3) of section 620.8918, Florida
6239 Statutes, is amended to read:

6240 620.8918 Filings required for merger; effective date.—

6241 (3) Each domestic constituent partnership shall deliver the
6242 certificate of merger for filing with the Department of State,
6243 unless the domestic constituent partnership is named as a party
6244 or constituent organization in articles of merger or a
6245 certificate of merger filed for the same merger in accordance
6246 with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,
6247 or s. 620.2108(3). The articles of merger or certificate of
6248 merger must substantially comply with the requirements of this
6249 section. In such a case, the other articles of merger or
6250 certificate of merger may also be used for purposes of s.
6251 620.8919(3). Each domestic constituent partnership in the merger
6252 shall also file a registration statement in accordance with s.
6253 620.8105(1) if it does not have a currently effective
6254 registration statement filed with the Department of State.

6255 Section 20. Effective January 1, 2015, subsection (3) of
6256 section 620.8918, Florida Statutes, is amended to read:

6257 620.8918 Filings required for merger; effective date.—

6258 (3) Each domestic constituent partnership shall deliver the
6259 certificate of merger for filing with the Department of State,
6260 unless the domestic constituent partnership is named as a party
6261 or constituent organization in articles of merger or a
6262 certificate of merger filed for the same merger in accordance
6263 with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,
6264 or s. 620.2108(3). The articles of merger or certificate of

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6265 merger must substantially comply with the requirements of this
6266 section. In such a case, the other articles of merger or
6267 certificate of merger may also be used for purposes of s.
6268 620.8919(3). Each domestic constituent partnership in the merger
6269 shall also file a registration statement in accordance with s.
6270 620.8105(1) if it does not have a currently effective
6271 registration statement filed with the Department of State.

6272 Section 21. Section 621.051, Florida Statutes, is amended
6273 to read:

6274 621.051 Limited liability company organization.—A group of
6275 professional service corporations, professional limited
6276 liability companies, or individuals, in any combination, duly
6277 licensed or otherwise legally authorized to render the same
6278 professional services may organize and become members of a
6279 professional limited liability company for pecuniary profit
6280 under the provisions of chapter 605 or chapter 608 for the sole
6281 and specific purpose of rendering the same and specific
6282 professional service.

6283 Section 22. Effective January 1, 2015, section 621.051,
6284 Florida Statutes, is amended to read:

6285 621.051 Limited liability company organization.—A group of
6286 professional service corporations, professional limited
6287 liability companies, or individuals, in any combination, duly
6288 licensed or otherwise legally authorized to render the same
6289 professional services may organize and become members of a
6290 professional limited liability company for pecuniary profit
6291 under the provisions of chapter 605 ~~chapter 608~~ for the sole and
6292 specific purpose of rendering the same and specific professional
6293 service.

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6294 Section 23. Section 621.07, Florida Statutes, is amended to
6295 read:

6296 621.07 Liability of officers, agents, employees,
6297 shareholders, members, and corporation or limited liability
6298 company.—Nothing contained in this act shall be interpreted to
6299 abolish, repeal, modify, restrict, or limit the law now in
6300 effect in this state applicable to the professional relationship
6301 and liabilities between the person furnishing the professional
6302 services and the person receiving such professional service and
6303 to the standards for professional conduct; provided, however,
6304 that any officer, agent, member, manager, or employee of a
6305 corporation or limited liability company organized under this
6306 act shall be personally liable and accountable only for
6307 negligent or wrongful acts or misconduct committed by that
6308 person, or by any person under that person's direct supervision
6309 and control, while rendering professional service on behalf of
6310 the corporation or limited liability company to the person for
6311 whom such professional services were being rendered; and
6312 provided further that the personal liability of shareholders of
6313 a corporation, or members of a limited liability company,
6314 organized under this act, in their capacity as shareholders or
6315 members of such corporation or limited liability company, shall
6316 be no greater in any aspect than that of a shareholder-employee
6317 of a corporation organized under chapter 607 or a member-
6318 employee of a limited liability company organized under chapter
6319 605 or chapter 608. The corporation or limited liability company
6320 shall be liable up to the full value of its property for any
6321 negligent or wrongful acts or misconduct committed by any of its
6322 officers, agents, members, managers, or employees while they are

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6323 engaged on behalf of the corporation or limited liability
6324 company in the rendering of professional services.

6325 Section 24. Effective January 1, 2015, section 621.07,
6326 Florida Statutes, is amended to read:

6327 621.07 Liability of officers, agents, employees,
6328 shareholders, members, and corporation or limited liability
6329 company.—Nothing contained in this act shall be interpreted to
6330 abolish, repeal, modify, restrict, or limit the law now in
6331 effect in this state applicable to the professional relationship
6332 and liabilities between the person furnishing the professional
6333 services and the person receiving such professional service and
6334 to the standards for professional conduct; provided, however,
6335 that any officer, agent, member, manager, or employee of a
6336 corporation or limited liability company organized under this
6337 act shall be personally liable and accountable only for
6338 negligent or wrongful acts or misconduct committed by that
6339 person, or by any person under that person's direct supervision
6340 and control, while rendering professional service on behalf of
6341 the corporation or limited liability company to the person for
6342 whom such professional services were being rendered; and
6343 provided further that the personal liability of shareholders of
6344 a corporation, or members of a limited liability company,
6345 organized under this act, in their capacity as shareholders or
6346 members of such corporation or limited liability company, shall
6347 be no greater in any aspect than that of a shareholder-employee
6348 of a corporation organized under chapter 607 or a member-
6349 employee of a limited liability company organized under chapter
6350 605 ~~chapter 608~~. The corporation or limited liability company
6351 shall be liable up to the full value of its property for any

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6352 negligent or wrongful acts or misconduct committed by any of its
6353 officers, agents, members, managers, or employees while they are
6354 engaged on behalf of the corporation or limited liability
6355 company in the rendering of professional services.

6356 Section 25. Subsections (2) and (4) of section 621.12,
6357 Florida Statutes, are amended to read:

6358 621.12 Identification with individual shareholders or
6359 individual members.—

6360 (2) The name shall also contain:

6361 (a) The word "chartered"; or

6362 (b)1. In the case of a professional corporation, the words
6363 "professional association" or the abbreviation "P.A."; or

6364 2. In the case of a professional limited liability company~~7~~
6365 formed before January 1, 2014, the words "professional limited
6366 company" or "professional limited liability company," ~~or~~ the
6367 abbreviation "P.L.~~7~~" or "P.L.L.C." or the designation "PL" or
6368 "PLLC," in lieu of the words "limited company" or "limited
6369 liability company," or the abbreviation "L.C." or "L.L.C." or
6370 the designation "LC" or "LLC" as otherwise required under s.
6371 605.0112 or s. 608.406.

6372 3. In the case of a professional limited liability company
6373 formed on or after January 1, 2014, the words "professional
6374 limited liability company," the abbreviation "P.L.L.C." or the
6375 designation "PLLC," in lieu of the words "limited liability
6376 company," or the abbreviation "L.L.C." or the designation "LLC"
6377 as otherwise required under s.605.0112.

6378 (4) It shall be permissible, however, for the corporation
6379 or limited liability company to render professional services and
6380 to exercise its authorized powers under a name which is

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6381 identical to its name except that the word "chartered," the
6382 words "professional association," ~~or~~ "professional limited
6383 company," or "professional limited liability company," ~~or~~ the
6384 abbreviations "P.A.," ~~or~~ "P.L.," or "P.L.L.C.," or the
6385 designation "PL" or "PLLC" may be omitted, provided that the
6386 corporation or limited liability company has first registered
6387 the name to be so used in the manner required for the
6388 registration of fictitious names.

6389 Section 26. Section 621.13, Florida Statutes, is amended to
6390 read:

6391 621.13 Applicability of chapters 605, 607, and 608.—

6392 (1) Chapter 607 is applicable to a corporation organized
6393 pursuant to this act except to the extent that any of the
6394 provisions of this act are interpreted to be in conflict with
6395 the provisions of chapter 607. In such event, the provisions and
6396 sections of this act shall take precedence with respect to a
6397 corporation organized pursuant to the provisions of this act.

6398 (2) (a) Before January 1, 2014, and during any transition
6399 period thereafter, chapter 608 is applicable to a limited
6400 liability company organized pursuant to this act before January
6401 1, 2014, except to the extent that any of the provisions of this
6402 act are interpreted to be in conflict with the provisions of
6403 chapter 608. In such event, the provisions and sections of this
6404 act shall take precedence with respect to a limited liability
6405 company organized pursuant to the provisions of this act.

6406 (b) On and after January 1, 2014, chapter 605 is applicable
6407 to a limited liability company organized pursuant to this act on
6408 or after January 1, 2014, except to the extent that any of the
6409 provisions of this act are interpreted to be in conflict with

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6410 the provisions of chapter 605. In such event, the provisions and
6411 sections of this act shall take precedence with respect to a
6412 limited liability company organized pursuant to the provisions
6413 of this act.

6414 (c) After an election is made to be subject to the
6415 provisions of chapter 605, chapter 605 applies to a limited
6416 liability company organized pursuant to this act before January
6417 1, 2014, except to the extent that any of the provisions of this
6418 act are interpreted to be in conflict with the provisions of
6419 chapter 605. In such event, the provisions and sections of this
6420 act shall take precedence with respect to a limited liability
6421 company organized pursuant to the provisions of this act.

6422 (3) A professional corporation or limited liability company
6423 heretofore or hereafter organized under this act may change its
6424 business purpose from the rendering of professional service to
6425 provide for any other lawful purpose by amending its certificate
6426 of incorporation in the manner required for an original
6427 incorporation under chapter 607 or by amending its certificate
6428 of organization in the manner required for an original
6429 organization under chapter 608, or for a limited liability
6430 company subject to chapter 605 by amending its certificate of
6431 organization in the manner required for an original organization
6432 under chapter 605. However, such an amendment, when filed with
6433 and accepted by the Department of State, shall remove such
6434 corporation or limited liability company from the provisions of
6435 this chapter including, but not limited to, the right to
6436 practice a profession. A change of business purpose shall not
6437 have any effect on the continued existence of the corporation or
6438 limited liability company.

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6439 Section 27. Effective January 1, 2015, section 621.13,
6440 Florida Statutes, is amended to read:

6441 621.13 Applicability of chapters 605 and 607 ~~and 608~~.

6442 (1) Chapter 607 is applicable to a corporation organized
6443 pursuant to this act except to the extent that any of the
6444 provisions of this act are interpreted to be in conflict with
6445 the provisions of chapter 607. In such event, the provisions and
6446 sections of this act shall take precedence with respect to a
6447 corporation organized pursuant to the provisions of this act.

6448 (2) Chapter 605 ~~Chapter 608~~ is applicable to a limited
6449 liability company organized pursuant to this act except to the
6450 extent that any of the provisions of this act are interpreted to
6451 be in conflict with the provisions of chapter 605 ~~chapter 608~~.
6452 In such event, the provisions and sections of this act shall
6453 take precedence with respect to a limited liability company
6454 organized pursuant to the provisions of this act.

6455 (3) A professional corporation or limited liability company
6456 heretofore or hereafter organized under this act may change its
6457 business purpose from the rendering of professional service to
6458 provide for any other lawful purpose by amending its certificate
6459 of incorporation in the manner required for an original
6460 incorporation under chapter 607 or for a limited liability
6461 company subject to chapter 605 by amending its certificate of
6462 organization in the manner required for an original organization
6463 under chapter 605 ~~chapter 608~~. However, such an amendment, when
6464 filed with and accepted by the Department of State, shall remove
6465 such corporation or limited liability company from the
6466 provisions of this chapter including, but not limited to, the
6467 right to practice a profession. A change of business purpose

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6468 shall not have any effect on the continued existence of the
6469 corporation or limited liability company.

6470 Section 28. Except as otherwise provided, this act shall
6471 take effect January 1, 2014.