

By the Committees on Commerce and Tourism; and 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; providing fees; establishing the authority and
13 liability of members and managers; providing for the
14 relationship of members and management, voting,
15 standards of conduct, records, and the right to obtain
16 information; providing for transferable interests and
17 the rights of transferees and creditors; providing for
18 the dissociation of a member and its effects;
19 providing for the dissolution and winding up of a
20 limited liability company; providing for payment of
21 attorney fees and costs in certain circumstances;
22 establishing provisions for merger, conversion,
23 domestication, interest exchange, and appraisal
24 rights; providing miscellaneous provisions for
25 application and construction, electronic signatures,
26 tax exemption on income, interrogatories and other
27 powers of the department, and reservation of power to
28 amend or appeal; providing for severability; providing
29 for the application to a limited liability company

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30 formed under the Florida Limited Liability Company
31 Act; creating s. 48.062, F.S.; providing for service
32 of process on a limited liability company; providing
33 for the applicability of the Florida Limited Liability
34 Company Act; providing for the future 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 or
1467 articles of revocation of dissolution, \$100.

1468 (3) For filing a foreign limited liability company's
1469 application for a certificate of authority to transact business,
1470 \$100.

1471 (4) For filing a certificate of merger of limited liability
1472 companies or other business entities, \$25 per constituent party
1473 to the merger, unless a specific fee is required for a party
1474 under other applicable law.

1475 (5) For filing an annual report, \$50.

1476 (6) For filing an application for reinstatement after an
1477 administrative or judicial dissolution or a revocation of
1478 authority to transact business, \$100.

1479 (7) For filing a certificate designating a registered agent

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1480 or changing a registered agent, \$25.

1481 (8) For filing a registered agent's statement of
1482 resignation from an active limited liability company, \$85.

1483 (9) For filing a registered agent's statement of
1484 resignation from a dissolved limited liability company, \$25.

1485 (10) For filing a certificate of conversion of a limited
1486 liability company, \$25.

1487 (11) For filing any other limited liability company
1488 document, \$25.

1489 (12) For furnishing a certificate of status, \$5.

1490 605.0214 Powers of department.—The department has the
1491 authority reasonably necessary to administer this chapter
1492 efficiently, to perform the duties imposed upon it, and to adopt
1493 reasonable rules necessary to carry out its duties and functions
1494 under this chapter.

1495 605.0215 Certificates to be received in evidence and
1496 evidentiary effect of copy of filed document.—All certificates
1497 issued by the department in accordance with this chapter shall
1498 be taken and received in all courts, public offices, and
1499 official bodies as prima facie evidence of the facts stated. A
1500 certificate from the department delivered with a copy of a
1501 document filed by the department is conclusive evidence that the
1502 original document is on file with the department.

1503 605.0216 Statement of dissociation or resignation.—

1504 (1) A member of a limited liability company may file a
1505 statement of dissociation with the department containing the
1506 following:

1507 (a) The name of the limited liability company.

1508 (b) The name and signature of the dissociating member.

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- 1509 (c) The date the member withdrew or will withdraw.
- 1510 (d) A statement that the company has been notified of the
1511 dissociation in writing.
- 1512 (2) A manager in a manager-managed limited liability
1513 company may file a statement of resignation with the department
1514 containing the following:
- 1515 (a) The name of the limited liability company.
- 1516 (b) The name and signature of the resigning manager.
- 1517 (c) The date the resigning manager resigned or will resign.
- 1518 (d) A statement that the limited liability company has been
1519 notified of the resignation in writing.
- 1520 605.0301 Power to bind limited liability company.—A person
1521 does not have the power to bind a limited liability company,
1522 except to the extent the person:
- 1523 (1) Is an agent of the company by virtue of s. 605.04074;
- 1524 (2) Has the authority to do so under the articles of
1525 organization or operating agreement of the company;
- 1526 (3) Has the authority to do so by a statement of authority
1527 filed under s. 605.0302; or
- 1528 (4) Has the status of an agent of the company or the
1529 authority or power to bind the company under a law other than
1530 this chapter.
- 1531 605.0302 Statement of authority.—
- 1532 (1) A limited liability company may file a statement of
1533 authority. The statement:
- 1534 (a) Must include the name of the company as it appears on
1535 the records of the department, and the street and mailing
1536 addresses of its principal office;
- 1537 (b) With respect to a specified status or position of a

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1538 person in a company, whether as a member, transferee, manager,
1539 officer, or otherwise, may state the authority or limitations on
1540 the authority of all persons having such status or holding such
1541 position to:

1542 1. Execute an instrument transferring real property held in
1543 the name of the company; or

1544 2. Enter into other transactions on behalf of, or otherwise
1545 act for or bind, the company; and

1546 (c) May state the authority or limitations on the authority
1547 of a specific person to:

1548 1. Execute an instrument transferring real property held in
1549 the name of the company; or

1550 2. Enter into other transactions on behalf of, or otherwise
1551 act for or bind, the company.

1552 (2) To amend or cancel a statement of authority filed by
1553 the department, a limited liability company must deliver to the
1554 department for filing an amendment or cancellation stating the
1555 following:

1556 (a) The name of the company as it appears on the records of
1557 the department.

1558 (b) The street and mailing addresses of the limited
1559 liability company's principal office.

1560 (c) The date the statement being affected became effective.

1561 (d) The contents of the amendment or a declaration that the
1562 affected statement is canceled.

1563 (3) A statement of authority affects only the power of a
1564 person to bind a limited liability company to persons who are
1565 not members.

1566 (4) Subject to subsection (3) and s. 605.0103(4) and except

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1567 as otherwise provided in subsections (6)-(8), a limitation on
1568 the authority of a person or a status or position contained in
1569 an effective statement of authority is not by itself evidence of
1570 knowledge or notice of the limitation.

1571 (5) Subject to subsection (3) and ss. 605.0407-605.04074, a
1572 grant of authority not pertaining to transfers of real property
1573 and contained in an effective statement of authority is
1574 conclusive in favor of a person who gives value in reliance on
1575 the grant, except to the extent that when the person gives
1576 value:

1577 (a) The person has knowledge to the contrary;

1578 (b) The statement has been canceled or restrictively
1579 amended under subsection (2); or

1580 (c) A limitation on the grant is contained in another
1581 statement of authority that became effective after the statement
1582 containing the grant became effective.

1583 (6) Subject to subsection (3), an effective statement of
1584 authority that grants authority to transfer real property held
1585 in the name of the limited liability company, a certified copy
1586 of which statement is recorded in the office for recording
1587 transfers of the real property, is conclusive in favor of a
1588 person who gives value in reliance on the grant without
1589 knowledge to the contrary, except to the extent that when the
1590 person gives value:

1591 (a) The statement has been canceled or restrictively
1592 amended under subsection (2) and a certified copy of the
1593 cancellation or restrictive amendment has been recorded in the
1594 office for recording transfers of the real property; or

1595 (b) A limitation on the grant is contained in another

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1596 statement of authority that became effective after the statement
1597 containing the grant became effective and a certified copy of
1598 the later effective statement is recorded in the office for
1599 recording transfers of the real property.

1600 (7) Subject to subsection (3), if a certified copy of an
1601 effective statement of authority containing a limitation on the
1602 authority to transfer real property held in the name of a
1603 limited liability company is recorded in the office for
1604 recording transfers of that real property, all persons are
1605 deemed to know of the limitation.

1606 (8) Subject to subsection (9), effective articles of
1607 dissolution or termination effectuate a cancellation of a filed
1608 statement of authority for the purposes of subsection (6) and
1609 limit authority for the purposes of subsection (7).

1610 (9) After a company's articles of dissolution become
1611 effective, a limited liability company may deliver to the
1612 department for filing and, if appropriate, may record a
1613 statement of authority in accordance with subsection (1) which
1614 is designated as a post-dissolution statement of authority. The
1615 statement operates as provided in subsections (6) and (7).

1616 (10) Unless earlier canceled, an effective statement of
1617 authority is canceled by operation of law 5 years after the date
1618 on which the statement, or its most recent amendment, becomes
1619 effective. This cancellation operates without need for a
1620 recording under subsection (6) or subsection (7). An effective
1621 statement of denial operates as a restrictive amendment under
1622 this section and may be recorded by certified copy for the
1623 purposes of paragraph (6) (a).

1624 (11) A statement of dissociation or a statement of

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1625 resignation filed pursuant to s. 605.0216 terminates the
1626 authority of the person who filed the statement.

1627 605.0303 Statement of denial.—A person who is named in a
1628 filed statement of authority granting that person authority may
1629 deliver to the department for filing a statement of denial
1630 signed by that person which:

1631 (1) Provides the name of the limited liability company and
1632 the caption of the statement of authority to which the statement
1633 of denial pertains; and

1634 (2) Denies the grant of authority.

1635 605.0304 Liability of members and managers.—

1636 (1) A debt, obligation, or other liability of a limited
1637 liability company is solely the debt, obligation, or other
1638 liability of the company. A member or manager is not personally
1639 liable, directly or indirectly, by way of contribution or
1640 otherwise, for a debt, obligation, or other liability of the
1641 company solely by reason of being or acting as a member or
1642 manager. This subsection applies regardless of the dissolution
1643 of the company.

1644 (2) The failure of a limited liability company to observe
1645 formalities relating to the exercise of its powers or management
1646 of its activities and affairs is not a ground for imposing
1647 liability on a member or manager of the company for a debt,
1648 obligation, or other liability of the company.

1649 (3) The limitation of liability in this section is in
1650 addition to the limitations of liability provided for in s.
1651 605.04093.

1652 605.0401 Becoming a member.—

1653 (1) If a limited liability company is to have only one

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1654 member upon formation, the person becomes a member as agreed by
1655 that person and the authorized representative of the company.
1656 That person and the authorized representative may be, but need
1657 not be, different persons. If different persons, the authorized
1658 representative acts on behalf of the initial member.

1659 (2) If a limited liability company is to have more than one
1660 member upon formation, those persons become members as agreed by
1661 the persons before the formation of the company. The authorized
1662 representative acts on behalf of the persons in forming the
1663 company and may be, but need not be, one of the persons.

1664 (3) After formation of a limited liability company, a
1665 person becomes a member:

1666 (a) As provided in the operating agreement;

1667 (b) As the result of a merger, interest exchange
1668 conversion, or domestication under ss. 605.1001-605.1072, as
1669 applicable;

1670 (c) With the consent of all the members; or

1671 (d) As provided in s. 605.0701(3).

1672 (4) A person may become a member without acquiring a
1673 transferable interest and without making or being obligated to
1674 make a contribution to the limited liability company.

1675 605.0402 Form of contribution.—A contribution may consist
1676 of tangible or intangible property or other benefit to a limited
1677 liability company, including money, services performed,
1678 promissory notes, other agreements to contribute money or
1679 property, and contracts for services to be performed.

1680 605.0403 Liability for contributions.—

1681 (1) A promise by a person to contribute to the limited
1682 liability company is not enforceable unless it is set out in a

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1683 writing signed by the person.

1684 (2) A person's obligation to make a contribution to a
1685 limited liability company is not excused by the person's death,
1686 disability, or other inability to perform personally.

1687 (3) If a person does not fulfill an obligation to make a
1688 contribution other than money, the person is obligated at the
1689 option of the limited liability company to contribute money
1690 equal to the value of the part of the contribution that has not
1691 been made. The foregoing option is in addition to and not in
1692 lieu of other rights, including the right to specific
1693 performance, that the limited liability company may have against
1694 the person under the articles of organization or operating
1695 agreement or applicable law.

1696 (4) The obligation of a person to make a contribution may
1697 be compromised only by consent of all members. If a creditor of
1698 a limited liability company extends credit or otherwise acts in
1699 reliance on an obligation described in subsection (1) without
1700 notice of a compromise under this subsection, the creditor may
1701 enforce the obligation.

1702 (5) An operating agreement may provide that the limited
1703 liability company interest of a member who fails to make a
1704 contribution that the member is obligated to make is subject to
1705 specified penalties for or specified consequences of the
1706 failure. The penalty or consequence may take the form of
1707 reducing or eliminating the defaulting member's proportionate
1708 interest in a limited liability company, subordinating the
1709 defaulting member's limited liability company interest to that
1710 of nondefaulting members, a forced sale of that limited
1711 liability company interest, forfeiture of the defaulting

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1712 member's limited liability company interest, the lending by
1713 other members of the amount necessary to meet the defaulting
1714 member's commitment, a fixing of the value of the defaulting
1715 member's limited liability company interest by appraisal or by
1716 formula and redemption or sale of the defaulting member's
1717 limited liability company interest at such value, or other
1718 penalty or consequence.

1719 605.0404 Sharing of distributions before dissolution and
1720 profits and losses.—

1721 (1) Distributions made by a limited liability company
1722 before its dissolution and winding up must be shared by the
1723 members and persons dissociated as members on the basis of the
1724 agreed value, as stated in the company's records, of the
1725 contributions made by each of members and persons dissociated as
1726 members to the extent that the contributions have been received
1727 by the company, except to the extent necessary to comply with a
1728 transfer effective under s. 605.0502 or charging order in effect
1729 under s. 605.0503.

1730 (2) A person has a right to a distribution before the
1731 dissolution and winding up of a limited liability company only
1732 if the company decides to make an interim distribution. A
1733 person's dissociation does not entitle the person to a
1734 distribution.

1735 (3) A person does not have a right to demand or receive a
1736 distribution from a limited liability company in a form other
1737 than money. Except as otherwise provided in s. 605.0710(4), a
1738 limited liability company may distribute an asset in kind only
1739 if each part of the asset is fungible with each other part and
1740 each person receives a percentage of the asset equal in value to

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1741 the person's share of distributions.

1742 (4) If a member or transferee becomes entitled to receive a
1743 distribution, the member or transferee has the status of and is
1744 entitled to all remedies available to a creditor of the limited
1745 liability company with respect to the distribution.

1746 (5) Profits and losses of a limited liability company must
1747 be allocated among the members and persons dissociated as
1748 members on the basis of the agreed value, as stated in the
1749 company's records, of the contributions made by each of the
1750 members and persons dissociated as members to the extent that
1751 the contributions have been received by the company.

1752 605.0405 Limitations on distributions.-

1753 (1) A limited liability company may not make a
1754 distribution, including a distribution under s. 605.0710, if
1755 after the distribution:

1756 (a) The company would not be able to pay its debts as they
1757 become due in the ordinary course of the company's activities
1758 and affairs; or

1759 (b) The company's total assets would be less than the sum
1760 of its total liabilities, plus the amount that would be needed
1761 if the company were to be dissolved and wound up at the time of
1762 the distribution, to satisfy the preferential rights upon
1763 dissolution and winding up of members and transferees whose
1764 preferential rights are superior to those of persons receiving
1765 the distribution.

1766 (2) A limited liability company may base a determination
1767 that a distribution is not prohibited under subsection (1) on:

1768 (a) Financial statements prepared on the basis of
1769 accounting practices and principles that are reasonable under

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1770 the circumstances; or

1771 (b) A fair valuation or other method that is reasonable
1772 under the circumstances.

1773 (3) Except as otherwise provided in subsection (5), the
1774 effect of a distribution under subsection (1) is measured:

1775 (a) In the case of a distribution by purchase, redemption,
1776 or other acquisition of a transferable interest in the company,
1777 as of the earlier of the date on which:

1778 1. Money or other property is transferred or the debt is
1779 incurred by the company; and

1780 2. The person entitled to distribution ceases to own the
1781 interest or right being acquired by the company in return for
1782 the distribution.

1783 (b) In the case of a distribution of indebtedness, as of
1784 the date on which the indebtedness is distributed.

1785 (c) In all other cases, as of the date on which:

1786 1. The distribution is authorized if the payment occurs
1787 within 120 days after that date; or

1788 2. The payment is made if the payment occurs more than 120
1789 days after the distribution is authorized.

1790 (4) A limited liability company's indebtedness to a member
1791 or transferee incurred by reason of a distribution made in
1792 accordance with this section is at parity with the company's
1793 indebtedness to its general, unsecured creditors, except to the
1794 extent subordinated by agreement.

1795 (5) A limited liability company's indebtedness, including
1796 indebtedness issued as a distribution, is not a liability for
1797 purposes of subsection (1) if the terms of the indebtedness
1798 provide that payment of principal and interest is made only if

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1799 and to the extent that a distribution could then be made under
1800 this section. If the indebtedness is issued as a distribution,
1801 and by its terms provides that the payments of principal and
1802 interest are made only to the extent a distribution could be
1803 made under this section, then each payment of principal or
1804 interest of that indebtedness is treated as a distribution, the
1805 effect of which is measured on the date the payment is actually
1806 made.

1807 (6) In measuring the effect of a distribution under s.
1808 605.0710, the liabilities of a dissolved limited liability
1809 company do not include a claim that is disposed of under ss.
1810 605.0710-605.0713.

1811 605.0406 Liability for improper distributions.—

1812 (1) Except as otherwise provided in subsection (2), if a
1813 member of a member-managed limited liability company or manager
1814 of a manager-managed limited liability company consents to a
1815 distribution made in violation of s. 605.0405 and, in consenting
1816 to the distribution, fails to comply with s. 605.04091, the
1817 member or manager is personally liable to the company for the
1818 amount of the distribution which exceeds the amount that could
1819 have been distributed without the violation of s. 605.0405.

1820 (2) To the extent the operating agreement of a member-
1821 managed limited liability company expressly relieves a member of
1822 the authority and responsibility to consent to distributions and
1823 imposes that authority and responsibility on one or more other
1824 members, the liability in subsection (1) applies to the other
1825 members and not the member that the operating agreement relieves
1826 of authority and responsibility.

1827 (3) A person who receives a distribution knowing that the

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1828 distribution violated s. 605.0405 is personally liable to the
1829 limited liability company, but only to the extent that the
1830 distribution received by the person exceeded the amount that
1831 could have been properly paid under s. 605.0405.

1832 (4) A person against whom an action is commenced because
1833 that person is or may be liable under subsection (1) may:

1834 (a) Implead another person who is or may be liable under
1835 subsection (1) and seek to enforce a right of contribution from
1836 the person; or

1837 (b) Implead a person who received a distribution in
1838 violation of subsection (3) and seek to enforce a right of
1839 contribution from an impleaded person in the amount the person
1840 received in violation of subsection (3).

1841 (5) An action under this section is barred unless commenced
1842 within 2 years after the distribution.

1843 605.0407 Management of limited liability company.—

1844 (1) A limited liability company is a member-managed limited
1845 liability company unless the operating agreement or articles of
1846 organization:

1847 (a) Expressly provide that:

1848 1. The company is or will be manager-managed;

1849 2. The company is or will be managed by managers; or

1850 3. Management of the company is or will be vested in
1851 managers; or

1852 (b) Include words of similar import to those in 1.-3.
1853 except that, unless the context in which the expression is used
1854 otherwise requires, the terms "managing member" and "managing
1855 members" do not, in and of themselves, constitute words of
1856 similar import for this purpose.

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1857 (2) In a member-managed limited liability company, the
1858 management and conduct of the company are vested in the members,
1859 except as expressly provided in this chapter.

1860 (3) In a manager-managed limited liability company, a
1861 matter relating to the activities and affairs of the company is
1862 decided exclusively by the manager, or if there is more than one
1863 manager, by the managers, except as expressly provided in this
1864 chapter.

1865 (4) A member is not entitled to remuneration for services
1866 performed for a member-managed limited liability company, except
1867 for reasonable compensation for services rendered in winding up
1868 the activities and affairs of the company, in the absence of an
1869 agreement to the contrary.

1870 (5) A limited liability company shall reimburse a member
1871 for an advance to the company beyond the amount of capital the
1872 member agreed to contribute.

1873 (6) The dissolution of a limited liability company does not
1874 affect the applicability of ss. 605.0407-605.04074. However, a
1875 person who wrongfully causes dissolution of the company loses
1876 the right to participate in management as a member and a
1877 manager.

1878 605.04071 Delegation of rights and powers to manage.—A
1879 member or manager of a limited liability company has the power
1880 and authority to delegate to one or more other persons the
1881 member's or manager's, as the case may be, rights and powers to
1882 manage and control the business and affairs of the limited
1883 liability company, including the power and authority to delegate
1884 to agents, boards of managers, members, or directors, officers
1885 and assistant officers, and employees of a member or manager of

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1886 the limited liability company, and the power and authority to
1887 delegate by a management agreement or similar agreement with, or
1888 otherwise to other persons. The delegation by a member or
1889 manager will not cause the member or manager to cease to be a
1890 member or manager, as the case may be, of the limited liability
1891 company.

1892 605.04072 Selection and terms of managers in a manager-
1893 managed limited liability company.-In a manager-managed limited
1894 liability company, the following rules apply:

1895 (1) A manager may be chosen at any time by the consent of
1896 the member or members holding more than 50 percent of the then-
1897 current percentage or other interest in the profits of the
1898 limited liability company owned by all of its members.

1899 (2) A person need not be a member to be a manager.

1900 (3) A person chosen as a manager continues as a manager
1901 until a successor is chosen, unless the manager at an earlier
1902 time resigns, is removed, or dies or, in the case of a manager
1903 that is not an individual, terminates.

1904 (4) A manager may be removed at any time without notice or
1905 cause by the consent of the member or members holding more than
1906 50 percent of the then-current percentage or other interest in
1907 the profits of the limited liability company owned by all of its
1908 members.

1909 (5) The dissociation of a member who is also a manager
1910 removes the person as a manager.

1911 (6) If a person who is both a manager and a member ceases
1912 to be a manager, that cessation does not, by itself, dissociate
1913 the person as a member.

1914 (7) A person's ceasing to be a manager does not discharge a

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1915 debt, obligation, or other liability to the limited liability
1916 company or members which the person incurred while a manager.

1917 605.04073 Voting rights of members and managers.-

1918 (1) In a member-managed limited liability company, the
1919 following rules apply:

1920 (a) Each member has the right to vote with respect to the
1921 management and conduct of the company's activities and affairs.

1922 (b) Each member's vote is proportionate to that member's
1923 then-current percentage or other interest in the profits of the
1924 limited liability company owned by all members.

1925 (c) Except as otherwise provided in this chapter, the
1926 affirmative vote or consent of a majority-in-interest of the
1927 members is required to undertake an act, whether within or
1928 outside the ordinary course of the company's activities and
1929 affairs, including a transaction under ss. 605.1001-605.1072.

1930 (d) The operating agreement and articles of organization
1931 may be amended only with the affirmative vote or consent of all
1932 members.

1933 (2) In a manager-managed limited liability company, the
1934 following rules apply:

1935 (a) Each manager has equal rights in the management and
1936 conduct of the company's activities and affairs.

1937 (b) Except as expressly provided in this chapter, a matter
1938 relating to the activities and affairs of the company shall be
1939 decided by the manager; if there is more than one manager, by
1940 the affirmative vote or consent of a majority of the managers;
1941 or if the action is taken without a meeting, by the managers'
1942 unanimous consent in a record.

1943 (c) Each member's vote is proportionate to that member's

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1944 then-current percentage or other interest in the profits of the
1945 limited liability company owned by all members.

1946 (d) Except as otherwise provided in this chapter, the
1947 affirmative vote or consent of a majority-in-interest of the
1948 members is required to undertake an act outside the ordinary
1949 course of the company's activities and affairs, including a
1950 transaction under ss. 605.1001-605.1072.

1951 (e) The operating agreement and articles of organization
1952 may be amended only with the affirmative vote or consent of all
1953 members.

1954 (3) If a member has transferred all or a portion of the
1955 member's transferable interest in the limited liability company
1956 to a person who is not admitted as a member and if the
1957 transferring member has not been dissociated in accordance with
1958 s. 605.0602(5)(b), the transferring member continues to be
1959 entitled to vote on an action reserved to the members, with the
1960 vote of the transferring member being proportionate to the then-
1961 current percentage or other interest in the profits of the
1962 limited liability company owned by all members that the
1963 transferring member would have if the transfer had not occurred.

1964 (4) An action requiring the vote or consent of members
1965 under this chapter may be taken without a meeting, and a member
1966 may appoint a proxy or other agent to vote or consent for the
1967 member by signing an appointing record, personally or by the
1968 member's agent. On an action taken by fewer than all of the
1969 members without a meeting, notice of the action must be given to
1970 those members who did not consent in writing to the action or
1971 who were not entitled to vote on the action within 10 days after
1972 the action was taken.

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1973 (5) An action requiring the vote or consent of managers
1974 under this chapter may be taken without a meeting if the action
1975 is unanimously approved by the managers in a record. A manager
1976 may appoint a proxy or other agent to vote or consent for the
1977 manager by signing an appointing record, personally or by the
1978 manager's agent.

1979 (6) Meetings of members and meetings of managers may be
1980 held by a conference telephone call or other communications
1981 equipment if all persons participating in the meeting can hear
1982 each other. Participation in a meeting pursuant to this
1983 subsection constitutes presence in person at the meeting.

1984 605.04074 Agency rights of members and managers.-

1985 (1) In a member-managed limited liability company, the
1986 following rules apply:

1987 (a) Except as provided in subsection (3), each member is an
1988 agent of the limited liability company for the purpose of its
1989 activities and affairs. An act of a member, including signing an
1990 agreement or instrument of transfer in the name of the company
1991 for apparently carrying on in the ordinary course of the
1992 company's activities and affairs or activities and affairs of
1993 the kind carried on by the company, binds the company unless the
1994 member had no authority to act for the company in the particular
1995 matter and the person with whom the member was dealing knew or
1996 had notice that the member lacked authority.

1997 (b) An act of a member which is not done for apparently
1998 carrying on in the ordinary course of the limited liability
1999 company's activities and affairs or activities and affairs of
2000 the kind carried on by the company, binds the company only if
2001 the act was authorized by appropriate vote of the members.

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2002 (2) In a manager-managed limited liability company, the
2003 following rules apply:

2004 (a) A member is not an agent of the limited liability
2005 company for the purpose of its business solely by reason of
2006 being a member.

2007 (b) Except as provided in subsection (3), each manager is
2008 an agent of the limited liability company for the purpose of its
2009 activities and affairs, and an act of a manager, including
2010 signing an agreement or instrument of transfer in the name of
2011 the company, for apparently carrying on in the ordinary course
2012 of the company's activities and affairs or activities and
2013 affairs of the kind carried on by the company, binds the company
2014 unless the manager had no authority to act for the company in
2015 the particular matter and the person with whom the manager was
2016 dealing knew or had notice that the manager lacked authority.

2017 (c) An act of a manager which is not apparently for
2018 carrying on in the ordinary course of the limited liability
2019 company's activities and affairs or activities and affairs of
2020 the kind carried on by the company, binds the company only if
2021 the act was authorized by appropriate vote of the members.

2022 (3) Unless a certified statement of authority recorded in
2023 the applicable real estate records limits the authority of a
2024 member or a manager, a member of a member-managed company or a
2025 manager of a manager-managed company may sign and deliver an
2026 instrument transferring or affecting the limited liability
2027 company's interest in real property. The instrument is
2028 conclusive in favor of a person who gives value without
2029 knowledge of the lack of the authority of the person signing and
2030 delivering the instrument.

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2031 605.0408 Reimbursement, indemnification, advancement, and
2032 insurance.—

2033 (1) A limited liability company may reimburse a member of a
2034 member-managed company or a manager of a manager-managed company
2035 for any payment made by the member or manager in the course of
2036 the member's or manager's activities on behalf of the company if
2037 the member or manager complied with ss. 605.0407-605.04074, this
2038 section, and s. 605.04091 in making the payment.

2039 (2) A limited liability company may indemnify and hold
2040 harmless a person with respect to a claim or demand against the
2041 person and a debt, obligation, or other liability incurred by
2042 the person by reason of the person's former or present capacity
2043 as a member or manager if the claim, demand, debt, obligation,
2044 or other liability does not arise from the person's breach of s.
2045 605.0405, s. 605.0407, s. 605.04071, s. 605.04072, s. 605.04073,
2046 s. 605.04074, or s. 605.04091.

2047 (3) In the ordinary course of its activities and affairs, a
2048 limited liability company may advance reasonable expenses,
2049 including attorney fees and costs, incurred by a person in
2050 connection with a claim or demand against the person by reason
2051 of the person's former or present capacity as a member or
2052 manager if the person promises to repay the company in the event
2053 that the person ultimately is determined not to be entitled to
2054 be indemnified under subsection (2).

2055 (4) A limited liability company may purchase and maintain
2056 insurance on behalf of a member or manager of the company
2057 against liability asserted against or incurred by the member or
2058 manager in that capacity or arising from that status even if:

2059 (a) Under s. 605.0105(3)(g) the operating agreement could

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2060 not eliminate or limit the person's liability to the company for
2061 the conduct giving rise to the liability; and

2062 (b) Under s. 605.0105(3)(p) the operating agreement could
2063 not provide for indemnification for the conduct giving rise to
2064 the liability.

2065 605.04091 Standards of conduct for members and managers.-

2066 (1) Each manager of a manager-managed limited liability
2067 company and member of a member-managed limited liability company
2068 owes fiduciary duties of loyalty and care to the limited
2069 liability company and members of the limited liability company.

2070 (2) The duty of loyalty is limited to:

2071 (a) Accounting to the limited liability company and holding
2072 as trustee for it any property, profit, or benefit derived by
2073 the manager or member, as applicable:

2074 1. In the conduct or winding up of the company's activities
2075 and affairs;

2076 2. From the use by the member or manager of the company's
2077 property; or

2078 3. From the appropriation of a company opportunity;

2079 (b) Refraining from dealing with the company in the conduct
2080 or winding up of the company's activities and affairs as, or on
2081 behalf of, a person having an interest adverse to the company,
2082 except to the extent that a transaction satisfies the
2083 requirements of this section; and

2084 (c) Refraining from competing with the company in the
2085 conduct of the company's activities and affairs before the
2086 dissolution of the company.

2087 (3) The duty of care in the conduct or winding up of the
2088 company's activities and affairs is limited to refraining from

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2089 engaging in grossly negligent or reckless conduct, willful or
2090 intentional misconduct, or a knowing violation of law.

2091 (4) A manager of a manager-managed limited liability
2092 company and a member of a member-managed limited liability
2093 company shall discharge their duties and obligations under this
2094 chapter or under the operating agreement and exercise any rights
2095 consistently with the obligation of good faith and fair dealing.

2096 (5) A manager of a manager-managed limited liability
2097 company or a member of a member-managed limited liability
2098 company does not violate a duty or obligation under this chapter
2099 or under the operating agreement solely because the manager's or
2100 member's conduct furthers the manager's or member's own
2101 interest.

2102 (6) In discharging his, her, or its duties, a manager of a
2103 manager-managed limited liability company or a member of a
2104 member-managed limited liability company is entitled to rely on
2105 information, opinions, reports, or statements, including
2106 financial statements and other financial data, if prepared or
2107 presented by any of the following:

2108 (a) One or more members or employees of the limited
2109 liability company whom the manager or member reasonably believes
2110 to be reliable and competent in the matters presented.

2111 (b) Legal counsel, public accountants, or other persons as
2112 to matters the manager or member reasonably believes are within
2113 the persons' professional or expert competence.

2114 (c) A committee of managers or members of which the
2115 affected manager or member is not a participant, if the manager
2116 or member reasonably believes the committee merits confidence.

2117 (7) A manager or member, as applicable, is not acting in

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2118 good faith if the manager or member has knowledge concerning the
2119 matter in question which makes reliance otherwise authorized
2120 under subsection (6) unwarranted.

2121 (8) In discharging his, her, or its duties, a manager of a
2122 manager-managed limited liability company or member of a member-
2123 managed limited liability company may consider factors that the
2124 manager or member deems relevant, including the long-term
2125 prospects and interests of the limited liability company and its
2126 members, and the social, economic, legal, or other effects of
2127 any action on the employees, suppliers, and customers of the
2128 limited liability company, the communities and society in which
2129 the limited liability company operates, and the economy of this
2130 state and the nation.

2131 (9) This section applies to a person winding up the limited
2132 liability company activities and affairs as the legal
2133 representative of the last surviving member as if such person
2134 were subject to this section.

2135 605.04092 Conflict of interest transactions.—

2136 (1) As used in this section, the following terms and
2137 definitions apply:

2138 (a) A member or manager is "indirectly" a party to a
2139 transaction if that member or manager has a material financial
2140 interest in or is a director, officer, member, manager, or
2141 partner of a person, other than the limited liability company,
2142 who is a party to the transaction.

2143 (b) A member or manager has an "indirect material financial
2144 interest" if a spouse or other family member has a material
2145 financial interest in the transaction, other than having an
2146 indirect interest as a member or manager of the limited

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2147 liability company, or if the transaction is with an entity,
2148 other than the limited liability company, which has a material
2149 financial interest in the transaction and controls, or is
2150 controlled by, the member or manager or another person specified
2151 in this subsection.

2152 (c) "Fair to the limited liability company" means that the
2153 transaction, as a whole, is beneficial to the limited liability
2154 company and its members, taking into appropriate account whether
2155 it is:

2156 1. Fair in terms of the member's or manager's dealings with
2157 the limited liability company in connection with that
2158 transaction; and

2159 2. Comparable to what might have been obtainable in an
2160 arm's length transaction.

2161 (2) If the requirements of this section have been
2162 satisfied, a transaction between a limited liability company and
2163 one or more of its members or managers, or another entity in
2164 which one or more of the limited liability company's members or
2165 managers have a financial or other interest, is not void or
2166 voidable because of that relationship or interest; because the
2167 members or managers are present at the meeting of the members or
2168 managers at which the transaction was authorized, approved,
2169 effectuated, or ratified; or because the votes of the members or
2170 managers are counted for such purpose.

2171 (3) If a transaction is fair to the limited liability
2172 company at the time it is authorized, approved, effectuated, or
2173 ratified, the fact that a member or manager of the limited
2174 liability company is directly or indirectly a party to the
2175 transaction, other than being an indirect party as a result of

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2176 being a member or manager of the limited liability company, or
2177 has a direct or indirect material financial interest or other
2178 interest in the transaction, other than having an indirect
2179 interest as a result of being a member or manager of the limited
2180 liability company, is not grounds for equitable relief and does
2181 not give rise to an award of damages or other sanctions.

2182 (4) (a) In a proceeding challenging the validity of a
2183 transaction described in subsection (3), the person challenging
2184 the validity has the burden of proving the lack of fairness of
2185 the transaction if:

2186 1. In a manager-managed limited liability company, the
2187 material facts of the transaction and the member's or manager's
2188 interest in the transaction were disclosed or known to the
2189 managers or a committee of managers who voted upon the
2190 transaction and the transaction was authorized, approved, or
2191 ratified by a majority of the disinterested managers even if the
2192 disinterested managers constitute less than a quorum; however,
2193 the transaction cannot be authorized, approved, or ratified
2194 under this subsection solely by a single manager; and

2195 2. In a member-managed limited liability company, or a
2196 manager-managed limited liability company in which the managers
2197 have failed to or cannot act under subparagraph 1., the material
2198 facts of the transaction and the member's or manager's interest
2199 in the transaction were disclosed or known to the members who
2200 voted upon such transaction and the transaction was authorized,
2201 approved, or ratified by a majority-in-interest of the
2202 disinterested members even if the disinterested members
2203 constitute less than a quorum; however, the transaction cannot
2204 be authorized, approved, or ratified under this subsection

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2205 solely by a single member; or

2206 (b) If neither of the conditions provided in paragraph (a)
2207 has been satisfied, the person defending or asserting the
2208 validity of a transaction described in subsection (3) has the
2209 burden of proving its fairness in a proceeding challenging the
2210 validity of the transaction.

2211 (5) The presence of or a vote cast by a manager or member
2212 with an interest in the transaction does not affect the validity
2213 of an action taken under paragraph (4) (a) if the transaction is
2214 otherwise authorized, approved, or ratified as provided in that
2215 subsection, but the presence or vote of the manager or member
2216 may be counted for purposes of determining whether the
2217 transaction is approved under other sections of this chapter.

2218 (6) In addition to other grounds for challenge, a party
2219 challenging the validity of the transaction is not precluded
2220 from asserting and proving that a particular member or manager
2221 was not disinterested on grounds of financial or other interest
2222 for purposes of the vote on, consent to, or approval of the
2223 transaction.

2224 605.04093 Limitation of liability of managers and members.—

2225 (1) A manager in a manager-managed limited liability
2226 company or a member in a member-managed limited liability
2227 company is not personally liable for monetary damages to the
2228 limited liability company, its members, or any other person for
2229 any statement, vote, decision, or failure to act regarding
2230 management or policy decisions by a manager in a manager-managed
2231 limited liability company or a member in a member-managed
2232 limited liability company unless:

2233 (a) The manager or member breached or failed to perform the

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2234 duties as a manager in a manager-managed limited liability
2235 company or a member in a member-managed limited liability
2236 company; and

2237 (b) The manager's or member's breach of, or failure to
2238 perform, those duties constitutes any of the following:

2239 1. A violation of the criminal law unless the manager or
2240 member had a reasonable cause to believe his, her, or its
2241 conduct was lawful or had no reasonable cause to believe such
2242 conduct was unlawful. A judgment or other final adjudication
2243 against a manager or member in any criminal proceeding for a
2244 violation of the criminal law estops that manager or member from
2245 contesting the fact that such breach, or failure to perform,
2246 constitutes a violation of the criminal law, but does not estop
2247 the manager or member from establishing that he, she, or it had
2248 reasonable cause to believe that his, her, or its conduct was
2249 lawful or had no reasonable cause to believe that such conduct
2250 was unlawful.

2251 2. A transaction from which the manager or member derived
2252 an improper personal benefit, directly or indirectly.

2253 3. A distribution in violation of s. 605.0406.

2254 4. In a proceeding by or in the right of the limited
2255 liability company to procure a judgment in its favor or by or in
2256 the right of a member, conscious disregard of the best interest
2257 of the limited liability company, or willful misconduct.

2258 5. In a proceeding by or in the right of someone other than
2259 the limited liability company or a member, recklessness or an
2260 act or omission that was committed in bad faith or with
2261 malicious purpose or in a manner exhibiting wanton and willful
2262 disregard of human rights, safety, or property.

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2263 (2) As used in this section, the term "recklessness" means
2264 acting or failing to act in conscious disregard of a risk known,
2265 or a risk so obvious that it should have been known, to the
2266 manager in a manager-managed limited liability company or the
2267 member in a member-managed limited liability company, and known
2268 to the manager or member, or so obvious that it should have been
2269 known, to be so great as to make it highly probable that harm
2270 would follow from such action or failure to act.

2271 (3) A manager in a manager-managed limited liability
2272 company or a member in a member-managed limited liability
2273 company is deemed not to have derived an improper personal
2274 benefit from any transaction if the transaction has been
2275 approved in the manner as is provided in s. 605.04092 or is fair
2276 to the limited liability company as defined in s.
2277 605.04092(1)(c).

2278 (4) The circumstances set forth in subsection (3) are not
2279 exclusive and do not preclude the existence of other
2280 circumstances under which a manager in a manager-managed limited
2281 liability company or a member in a member-managed limited
2282 liability company will be deemed not to have derived an improper
2283 benefit.

2284 605.0410 Records to be kept; rights of member, manager, and
2285 person dissociated to information.—

2286 (1) A limited liability company shall keep at its principal
2287 office or another location the following records:

2288 (a) A current list of the full names and last known
2289 business, residence, or mailing addresses of each member and
2290 manager.

2291 (b) A copy of the then-effective operating agreement, if

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2292 made in a record, and all amendments thereto if made in a
2293 record.

2294 (c) A copy of the articles of organization, articles of
2295 merger, articles of interest exchange, articles of conversion,
2296 and articles of domestication, and other documents and all
2297 amendments thereto, concerning the limited liability company
2298 which were filed with the department, together with executed
2299 copies of any powers of attorney pursuant to which any articles
2300 of organization or such other documents were executed.

2301 (d) Copies of the limited liability company's federal,
2302 state, and local income tax returns and reports, if any, for the
2303 3 most recent years.

2304 (e) Copies of the financial statements of the limited
2305 liability company, if any, for the 3 most recent years.

2306 (f) Unless contained in an operating agreement made in a
2307 record, a record stating the amount of cash and a description
2308 and statement of the agreed value of the property or other
2309 benefits contributed and agreed to be contributed by each
2310 member, and the times at which or occurrence of events upon
2311 which additional contributions agreed to be made by each member
2312 are to be made.

2313 (2) In a member-managed limited liability company, the
2314 following rules apply:

2315 (a) Upon reasonable notice, a member may inspect and copy
2316 during regular business hours, at a reasonable location
2317 specified by the company:

- 2318 1. The records described in subsection (1); and
2319 2. Each other record maintained by the company regarding
2320 the company's activities, affairs, financial condition, and

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2321 other circumstances, to the extent the information is material
2322 to the member's rights and duties under the operating agreement
2323 or this chapter.

2324 (b) The company shall furnish to each member:

2325 1. Without demand, any information concerning the company's
2326 activities, affairs, financial condition, and other
2327 circumstances that the company knows and are material to the
2328 proper exercise of the member's rights and duties under the
2329 operating agreement or this chapter, except to the extent the
2330 company can establish that it reasonably believes the member
2331 already knows the information; and

2332 2. On demand, other information concerning the company's
2333 activities, affairs, financial condition, and other
2334 circumstances, except to the extent the demand or information
2335 demand is unreasonable or otherwise improper under the
2336 circumstances.

2337 (c) The duty to furnish information under this subsection
2338 also applies to each member to the extent the member knows any
2339 of the information described in this subsection.

2340 (3) In a manager-managed limited liability company, the
2341 following rules apply:

2342 (a) The informational rights stated in subsection (2) and
2343 the duty stated in paragraph (2) (c) apply to the managers and
2344 not to the members.

2345 (b) During regular business hours and at a reasonable
2346 location specified by the company, a member may inspect and
2347 copy:

2348 1. The records described in subsection (1);

2349 2. Full information regarding the activities, affairs,

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2350 financial condition, and other circumstances of the company as
2351 is just and reasonable if:

2352 a. The member seeks the information for a purpose
2353 reasonably related to the member's interest as a member; or

2354 b. The member makes a demand in a record received by the
2355 company, describing with reasonable particularity the
2356 information sought and the purpose for seeking the information,
2357 and if the information sought is directly connected to the
2358 member's purpose.

2359 (c) Within 10 days after receiving a demand pursuant to
2360 subparagraph (2)(b)2., the company shall, in a record, inform
2361 the member who made the demand of:

2362 1. The information that the company will provide in
2363 response to the demand and when and where the company will
2364 provide the information; and

2365 2. The company's reasons for declining, if the company
2366 declines to provide any demanded information.

2367 (d) If this chapter or an operating agreement provides for
2368 a member to give or withhold consent to a matter, before the
2369 consent is given or withheld, the company shall, without demand,
2370 provide the member with all information that is known to the
2371 company and is material to the member's decision.

2372 (4) Subject to subsection (9), on 10 days' demand made in a
2373 record received by a limited liability company, a person
2374 dissociated as a member may have access to information to which
2375 the person was entitled while a member if:

2376 (a) The information pertains to the period during which the
2377 person was a member;

2378 (b) The person seeks the information in good faith; and

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2379 (c) The person satisfies the requirements imposed on a
2380 member by paragraph (3) (b).

2381 (5) A limited liability company shall respond to a demand
2382 made pursuant to subsection (4) in the manner provided in
2383 paragraph (3) (c).

2384 (6) A limited liability company may charge a person who
2385 makes a demand under this section the reasonable costs of
2386 copying, which costs are limited to the costs of labor and
2387 materials.

2388 (7) A member or person dissociated as a member may exercise
2389 rights under this section through an agent or, in the case of an
2390 individual under legal disability or an entity that is dissolved
2391 or its existence terminated, through a legal representative. A
2392 restriction or condition imposed by the operating agreement or
2393 under subsection (10) applies both to the agent or legal
2394 representative and the member or person dissociated as a member.

2395 (8) Subject to subsection (9), the rights under this
2396 section do not extend to a person as transferee.

2397 (9) If a member dies, s. 605.0504 applies.

2398 (10) In addition to a restriction or condition stated in
2399 the operating agreement, a limited liability company, as a
2400 matter within the ordinary course of its activities and affairs,
2401 may impose reasonable restrictions and conditions on access to
2402 and use of information to be furnished under this section,
2403 including designating information confidential and imposing
2404 nondisclosure and safeguarding obligations on the recipient. In
2405 a dispute concerning the reasonableness of a restriction under
2406 this subsection, the company has the burden of proving
2407 reasonableness. This subsection does not apply to the request by

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2408 a member for the records described in subsection (1).

2409 605.0411 Court-ordered inspection.—

2410 (1) If a limited liability company does not allow a member,
2411 manager, or other person who complies with s. 605.0410(2)(a),
2412 (3)(a), (3)(b), or (4), as applicable, to inspect and copy any
2413 records required by that section to be available for inspection,
2414 the circuit court in the county where the limited liability
2415 company's principal office is or was last located, as shown by
2416 the records of the department or, if there is no principal
2417 office in this state, where its registered office is or was last
2418 located, may summarily order inspection and copying of the
2419 records demanded, at the limited liability company's expense,
2420 upon application of the member, manager, or other person.

2421 (2) If the court orders inspection or copying of the
2422 records demanded, it shall also order the limited liability
2423 company to pay the costs, including reasonable attorney fees,
2424 reasonably incurred by the member, manager, or other person
2425 seeking the records to obtain the order and enforce its rights
2426 under this section unless the limited liability company proves
2427 that it refused inspection in good faith because the company had
2428 a reasonable basis for doubt about the right of the member,
2429 manager, or such other person to inspect or copy the records
2430 demanded.

2431 (3) If the court orders inspection or copying of the
2432 records demanded, it may impose reasonable restrictions on the
2433 use or distribution of the records by the member, manager, or
2434 other person demanding such records.

2435 605.0501 Nature of transferable interest.—A transferable
2436 interest is personal property.

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- 2437 605.0502 Transfer of transferable interest.-
2438 (1) Subject to s. 605.0503, a transfer, in whole or in
2439 part, of a transferable interest:
2440 (a) Is permissible;
2441 (b) Does not by itself cause a member's dissociation or a
2442 dissolution and winding up of the limited liability company's
2443 activities and affairs; and
2444 (c) Does not entitle the transferee to:
2445 1. Participate in the management or conduct of the
2446 company's activities and affairs; or
2447 2. Except as otherwise provided in subsection (3), have
2448 access to records or other information concerning the company's
2449 activities and affairs.
2450 (2) A transferee has the right to receive, in accordance
2451 with the transfer, distributions to which the transferor would
2452 otherwise be entitled.
2453 (3) In a dissolution and winding up of a limited liability
2454 company, a transferee is entitled to an account of the company's
2455 transactions only from the date of dissolution.
2456 (4) A transferable interest may be evidenced by a
2457 certificate of the interest issued by the limited liability
2458 company in a record, and, subject to this section, the interest
2459 represented by the certificate may be transferred by a transfer
2460 of the certificate.
2461 (5) A limited liability company need not give effect to a
2462 transferee's rights under this section until the company knows
2463 or has notice of the transfer.
2464 (6) A transfer of a transferable interest in violation of a
2465 restriction on transfer contained in the operating agreement is

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2466 ineffective as to a person who has knowledge or notice of the
2467 restriction at the time of transfer.

2468 (7) Except as otherwise provided in s. 605.0602(5)(b), if a
2469 member transfers a transferable interest, the transferor retains
2470 the rights of a member other than the transferable interest
2471 transferred and retains all the duties and obligations of a
2472 member.

2473 (8) If a member transfers a transferable interest to a
2474 person who becomes a member with respect to the transferred
2475 interest, the transferee is liable for the member's obligations
2476 under ss. 605.0403 and 605.0406(3) which are known to the
2477 transferee at the time the transferee becomes a member.

2478 605.0503 Charging order.—

2479 (1) On application to a court of competent jurisdiction by
2480 a judgment creditor of a member or a transferee, the court may
2481 enter a charging order against the transferable interest of the
2482 member or transferee for payment of the unsatisfied amount of
2483 the judgment with interest. Except as provided in subsection
2484 (5), a charging order constitutes a lien upon a judgment
2485 debtor's transferable interest and requires the limited
2486 liability company to pay over to the judgment creditor a
2487 distribution that would otherwise be paid to the judgment
2488 debtor.

2489 (2) This chapter does not deprive a member or transferee of
2490 the benefit of any exemption law applicable to the transferable
2491 interest of the member or transferee.

2492 (3) Except as provided in subsections (4) and (5), a
2493 charging order is the sole and exclusive remedy by which a
2494 judgment creditor of a member or member's transferee may satisfy

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2495 a judgment from the judgment debtor's interest in a limited
2496 liability company or rights to distributions from the limited
2497 liability company.

2498 (4) In the case of a limited liability company that has
2499 only one member, if a judgment creditor of a member or member's
2500 transferee establishes to the satisfaction of a court of
2501 competent jurisdiction that distributions under a charging order
2502 will not satisfy the judgment within a reasonable time, a
2503 charging order is not the sole and exclusive remedy by which the
2504 judgment creditor may satisfy the judgment against a judgment
2505 debtor who is the sole member of a limited liability company or
2506 the transferee of the sole member, and upon such showing, the
2507 court may order the sale of that interest in the limited
2508 liability company pursuant to a foreclosure sale. A judgment
2509 creditor may make a showing to the court that distributions
2510 under a charging order will not satisfy the judgment within a
2511 reasonable time at any time after the entry of the judgment and
2512 may do so at the same time that the judgment creditor applies
2513 for the entry of a charging order.

2514 (5) If a limited liability company has only one member and
2515 the court orders a foreclosure sale of a judgment debtor's
2516 interest in the limited liability company or of a charging order
2517 lien against the sole member of the limited liability company
2518 pursuant to subsection (4):

2519 (a) The purchaser at the court-ordered foreclosure sale
2520 obtains the member's entire limited liability company interest,
2521 not merely the rights of a transferee;

2522 (b) The purchaser at the sale becomes the member of the
2523 limited liability company; and

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2524 (c) The person whose limited liability company interest is
2525 sold pursuant to the foreclosure sale or is the subject of the
2526 foreclosed charging order ceases to be a member of the limited
2527 liability company.

2528 (6) In the case of a limited liability company that has
2529 more than one member, the remedy of foreclosure on a judgment
2530 debtor's interest in the limited liability company or against
2531 rights to distribution from the limited liability company is not
2532 available to a judgment creditor attempting to satisfy the
2533 judgment and may not be ordered by a court.

2534 (7) This section does not limit any of the following:

2535 (a) The rights of a creditor who has been granted a
2536 consensual security interest in a limited liability company
2537 interest to pursue the remedies available to the secured
2538 creditor under other law applicable to secured creditors.

2539 (b) The principles of law and equity which affect
2540 fraudulent transfers.

2541 (c) The availability of the equitable principles of alter
2542 ego, equitable lien, or constructive trust or other equitable
2543 principles not inconsistent with this section.

2544 (d) The continuing jurisdiction of the court to enforce its
2545 charging order in a manner consistent with this section.

2546 605.0504 Power of legal representative.—If a member who is
2547 an individual dies or a court of competent jurisdiction adjudges
2548 the member to be incompetent to manage the member's person or
2549 property, the member's legal representative may exercise all of
2550 the member's rights for the purpose of settling the member's
2551 estate or administering the member's property, including any
2552 power the member had to give a transferee the right to become a

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2553 member. If a member is a corporation, trust, or other entity and
2554 is dissolved or terminated, the powers of that member may be
2555 exercised by its legal representative.

2556 605.0601 Power to dissociate as member; wrongful
2557 dissociation.—

2558 (1) A person has the power to dissociate as a member at any
2559 time, rightfully or wrongfully, by withdrawing as a member by
2560 express will under s. 605.0602(1).

2561 (2) A person's dissociation as a member is wrongful only if
2562 the dissociation:

2563 (a) Is in breach of an express provision of the operating
2564 agreement; or

2565 (b) Occurs before completion of the winding up of the
2566 company, and:

2567 1. The person withdraws as a member by express will;
2568 2. The person is expelled as a member by judicial order
2569 under s. 605.0602(6);

2570 3. The person is dissociated under s. 605.0602(8); or

2571 4. In the case of a person that is not a trust other than a
2572 business trust, an estate, or an individual, the person is
2573 expelled or otherwise dissociated as a member because it
2574 willfully dissolved or terminated.

2575 (3) A person who wrongfully dissociates as a member is
2576 liable to the limited liability company and, subject to s.
2577 605.0801, to the other members for damages caused by the
2578 dissociation. The liability is in addition to each debt,
2579 obligation, or other liability of the member to the company or
2580 the other members.

2581 (4) Notwithstanding anything to the contrary under

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2582 applicable law, the articles of organization or operating
2583 agreement may provide that a limited liability company interest
2584 may not be assigned before the dissolution and winding up of the
2585 limited liability company.

2586 605.0602 Events causing dissociation.—A person is
2587 dissociated as a member if any of the following occur:

2588 (1) The company has notice of the person's express will to
2589 withdraw as a member, but if the person specified a withdrawal
2590 date later than the date the company had notice, on that later
2591 date.

2592 (2) An event stated in the operating agreement as causing
2593 the person's dissociation occurs.

2594 (3) The person's entire interest is transferred in a
2595 foreclosure sale under s. 605.0503(5).

2596 (4) The person is expelled as a member pursuant to the
2597 operating agreement.

2598 (5) The person is expelled as a member by the unanimous
2599 consent of the other members if any of the following occur:

2600 (a) It is unlawful to carry on the company's activities and
2601 affairs with the person as a member.

2602 (b) There has been a transfer of the person's entire
2603 transferable interest in the company other than:

2604 1. A transfer for security purposes; or

2605 2. A charging order in effect under s. 605.0503 which has
2606 not been foreclosed.

2607 (c) The person is a corporation and:

2608 1. The company notifies the person that it will be expelled
2609 as a member because the person has filed articles or a
2610 certificate of dissolution or the equivalent, the person has

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2611 been administratively dissolved, its charter or equivalent has
2612 been revoked, or the person's right to conduct business has been
2613 suspended by the person's jurisdiction of its formation; and

2614 2. Within 90 days after the notification, the articles or
2615 certificate of dissolution or the equivalent has not been
2616 revoked or its charter or right to conduct business has not been
2617 reinstated.

2618 (d) The person is an unincorporated entity that has been
2619 dissolved and whose business is being wound up.

2620 (6) On application by the company or a member in a direct
2621 action under s. 605.0801, the person is expelled as a member by
2622 judicial order because the person:

2623 (a) Has engaged or is engaging in wrongful conduct that has
2624 affected adversely and materially, or will affect adversely and
2625 materially, the company's activities and affairs;

2626 (b) Has committed willfully or persistently, or is
2627 committing willfully and persistently, a material breach of the
2628 operating agreement or a duty or obligation under s. 605.04091;
2629 or

2630 (c) Has engaged or is engaging in conduct relating to the
2631 company's activities and affairs which makes it not reasonably
2632 practicable to carry on the activities and affairs with the
2633 person as a member.

2634 (7) In the case of an individual:

2635 (a) The individual dies; or

2636 (b) In a member-managed limited liability company:

2637 1. A guardian or general conservator for the individual is
2638 appointed; or

2639 2. There is a judicial order that the individual has

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2640 otherwise become incapable of performing the individual's duties
2641 as a member under this chapter or the operating agreement.

2642 (8) In a member-managed limited liability company, the
2643 person:

2644 (a) Becomes a debtor in bankruptcy;

2645 (b) Executes an assignment for the benefit of creditors; or

2646 (c) Seeks, consents to, or acquiesces in the appointment of
2647 a trustee, receiver, or liquidator of the person or of all or
2648 substantially all the person's property.

2649 (9) In the case of a person that is a testamentary or inter
2650 vivos trust or is acting as a member by virtue of being a
2651 trustee of such a trust, the trust's entire transferable
2652 interest in the company is distributed.

2653 (10) In the case of a person that is an estate or is acting
2654 as a member by virtue of being a legal representative of an
2655 estate, the estate's entire transferable interest in the company
2656 is distributed.

2657 (11) In the case of a person that is not an individual, the
2658 existence of the person terminates.

2659 (12) The company participates in a merger under ss.
2660 605.1021-605.1026 and:

2661 (a) The company is not the surviving entity; or

2662 (b) Otherwise as a result of the merger, the person ceases
2663 to be a member.

2664 (13) The company participates in an interest exchange under
2665 ss. 605.1031-605.1036, and the person ceases to be a member.

2666 (14) The company participates in a conversion under ss.
2667 605.1041-605.1046, and the person ceases to be member.

2668 (15) The company dissolves and completes winding up.

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- 2669 605.0603 Effect of dissociation.-
- 2670 (1) If a person is dissociated as a member:
- 2671 (a) The person's right to participate as a member in the
- 2672 management and conduct of the company's activities and affairs
- 2673 terminates;
- 2674 (b) If the company is member-managed, the person's duties
- 2675 and obligations under s. 605.04091 as a member end with regard
- 2676 to matters arising and events occurring after the person's
- 2677 dissociation; and
- 2678 (c) Subject to s. 605.0504 and ss. 605.1001-605.1072, a
- 2679 transferable interest owned by the person in the person's
- 2680 capacity immediately before dissociation as a member is owned by
- 2681 the person solely as a transferee.
- 2682 (2) A person's dissociation as a member does not, of
- 2683 itself, discharge the person from a debt, obligation, or other
- 2684 liability to the company or the other members which the person
- 2685 incurred while a member.
- 2686 605.0701 Events causing dissolution.-A limited liability
- 2687 company is dissolved and its activities and affairs must be
- 2688 wound up upon the occurrence of the following:
- 2689 (1) An event or circumstance that the operating agreement
- 2690 states causes dissolution.
- 2691 (2) The consent of all the members.
- 2692 (3) The passage of 90 consecutive days during which the
- 2693 company has no members, unless:
- 2694 (a) Consent to admit at least one specified person as a
- 2695 member is given by transferees owning the rights to receive a
- 2696 majority of distributions as transferees at the time the consent
- 2697 is to be effective; and

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2698 (b) At least one person becomes a member in accordance with
2699 the consent.

2700 (4) The entry of a decree of judicial dissolution in
2701 accordance with s. 605.0705.

2702 (5) The filing of a statement of administrative dissolution
2703 by the department pursuant to s. 605.0714.

2704 605.0702 Grounds for judicial dissolution.-

2705 (1) A circuit court may dissolve a limited liability
2706 company:

2707 (a) In a proceeding by the Department of Legal Affairs if
2708 it is established that:

2709 1. The limited liability company obtained its articles of
2710 organization through fraud; or

2711 2. The limited liability company has continued to exceed or
2712 abuse the authority conferred upon it by law.

2713
2714 The enumeration in subparagraphs 1. and 2. of grounds for
2715 involuntary dissolution does not exclude actions or special
2716 proceedings by the Department of Legal Affairs or a state
2717 official for the annulment or dissolution of a limited liability
2718 company for other causes as provided in another law of this
2719 state.

2720 (b) In a proceeding by a manager or member if it is
2721 established that:

2722 1. The conduct of all or substantially all of the company's
2723 activities and affairs is unlawful;

2724 2. It is not reasonably practicable to carry on the
2725 company's activities and affairs in conformity with the articles
2726 of organization and the operating agreement;

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2727 3. The managers or members in control of the company have
2728 acted, are acting, or are reasonably expected to act in a manner
2729 that is illegal or fraudulent;

2730 4. The limited liability company's assets are being
2731 misappropriated or wasted, causing injury to the limited
2732 liability company, or in a proceeding by a member, causing
2733 injury to one or more of its members; or

2734 5. The managers or the members of the limited liability
2735 company are deadlocked in the management of the limited
2736 liability company's activities and affairs, the members are
2737 unable to break the deadlock, and irreparable injury to the
2738 limited liability company is threatened or being suffered.

2739 (c) In a proceeding by the limited liability company to
2740 have its voluntary dissolution continued under court
2741 supervision.

2742 (2) If the managers or the members of the limited liability
2743 company are deadlocked in the management of the limited
2744 liability company's activities and affairs, the members are
2745 unable to break the deadlock, and irreparable injury to the
2746 limited liability company is threatened or being suffered, if
2747 the operating agreement contains a deadlock sale provision that
2748 has been initiated before the time that the court determines
2749 that the grounds for judicial dissolution exist under
2750 subparagraph (1)(b)5., then such deadlock sale provision applies
2751 to the resolution of such deadlock instead of the court entering
2752 an order of judicial dissolution or an order directing the
2753 purchase of petitioner's interest under s. 605.0706, so long as
2754 the provisions of such deadlock sale provision are thereafter
2755 initiated and effectuated in accordance with the terms of such

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2756 deadlock sale provision or otherwise pursuant to an agreement of
2757 the members of the company. As used in this section, the term
2758 "deadlock sale provision" means a provision in an operating
2759 agreement which is or may be applicable in the event of a
2760 deadlock among the managers or the members of the limited
2761 liability company which the members of the company are unable to
2762 break and which provides for a deadlock breaking mechanism,
2763 including, but not limited to: a purchase and sale of interests
2764 or a governance change, among or between members; the sale of
2765 all or substantially all of the assets of the company; or a
2766 similar provision that, if initiated and effectuated, breaks the
2767 deadlock by causing the transfer of interests, a governance
2768 change, or the sale of all or substantially all of the company's
2769 assets. A deadlock sale provision in an operating agreement
2770 which is not initiated and effectuated before the court enters
2771 an order of judicial dissolution under subparagraph (1)(b)5. or
2772 an order directing the purchase of petitioner's interest under
2773 s. 605.0706 does not adversely affect the rights of members and
2774 managers to seek judicial dissolution under subparagraph
2775 (1)(b)5. or the rights of the company or one or more members to
2776 purchase the petitioner's interest under s. 605.0706. The filing
2777 of an action for judicial dissolution on the grounds described
2778 in subparagraph (1)(b)5. or an election to purchase the
2779 petitioner's interest under s. 605.0706 does not adversely
2780 affect the right of a member to initiate an available deadlock
2781 sale provision under the operating agreement or to enforce a
2782 member-initiated or an automatically-initiated deadlock sale
2783 provision if the deadlock sale provision is initiated and
2784 effectuated before the court enters an order of judicial

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2785 dissolution under subparagraph (1)(b)5. or an order directing
2786 the purchase of petitioner's interest under s. 605.0706.

2787 605.0703 Procedure for judicial dissolution; alternative
2788 remedies.-

2789 (1) Venue for a proceeding brought under s. 605.0702 lies
2790 in the circuit court of the county where the limited liability
2791 company's principal office is or was last located, as shown by
2792 the records of the department, or, if there is or was no
2793 principal office in this state, in the circuit court of the
2794 county where the company's registered office is or was last
2795 located.

2796 (2) It is not necessary to make members parties to a
2797 proceeding to dissolve a limited liability company unless relief
2798 is sought against such members individually.

2799 (3) A court in a proceeding brought to dissolve a limited
2800 liability company may issue injunctions, appoint a receiver or
2801 custodian pendente lite with all powers and duties the court
2802 directs, take other action required to preserve the limited
2803 liability company's assets wherever located, and carry on the
2804 business of the limited liability company until a full hearing
2805 can be held.

2806 (4) In a proceeding brought under s. 605.0702, the court
2807 may, upon a showing of sufficient merit to warrant such a
2808 remedy:

2809 (a) Appoint a receiver or custodian under s. 605.0704;

2810 (b) Order a purchase of a petitioning member's interest
2811 pursuant to s. 605.0706; or

2812 (c) Upon a showing of good cause, order another remedy the
2813 court deems appropriate in its discretion, including an

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2814 equitable remedy.

2815 (5) Section 57.105 applies to a proceeding brought under s.
2816 605.0702.

2817 605.0704 Receivership or custodianship.-

2818 (1) A court in a judicial proceeding brought to dissolve a
2819 limited liability company may appoint one or more receivers to
2820 wind up and liquidate or one or more custodians to manage the
2821 business and affairs of the limited liability company. The court
2822 shall hold a hearing, after notifying all parties to the
2823 proceeding and an interested person designated by the court,
2824 before appointing a receiver or custodian. The court appointing
2825 a receiver or custodian has exclusive jurisdiction over the
2826 limited liability company and all of its property, wherever
2827 located.

2828 (2) The court may appoint a person authorized to act as a
2829 receiver or custodian. The court may require the receiver or
2830 custodian to post bond, with or without sureties, in an amount
2831 the court directs.

2832 (3) The court shall describe the powers and duties of the
2833 receiver or custodian in its appointing order, which may be
2834 amended. Among other powers:

2835 (a) The receiver :

2836 1. May dispose of all or a part of the assets of the
2837 limited liability company wherever located, at a public or
2838 private sale, if authorized by the court; and

2839 2. May sue and defend in the receiver's own name, as
2840 receiver of the limited liability company, in all courts of this
2841 state; and

2842 (b) The custodian may exercise all of the powers of the

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2843 limited liability company, through or in place of its managers
2844 or members, to the extent necessary to manage the activities and
2845 affairs of the limited liability company in the best interest of
2846 its members and creditors.

2847 (4) During a receivership, the court may redesignate the
2848 receiver as a custodian and, during a custodianship, may
2849 redesignate the custodian as a receiver if doing so is in the
2850 best interests of the limited liability company and its members
2851 and creditors.

2852 (5) During the receivership or custodianship the court may
2853 order compensation paid and expense disbursements or
2854 reimbursements made to the receiver or custodian and the
2855 receiver's or custodian's counsel from the assets of the limited
2856 liability company or proceeds from the sale of part or all of
2857 those assets.

2858 (6) The court has jurisdiction to appoint an ancillary
2859 receiver for the assets and business of a limited liability
2860 company. The ancillary receiver shall serve ancillary to a
2861 receiver located in another state if the court deems that
2862 circumstances exist requiring the appointment of such a
2863 receiver. The court may appoint a receiver for a foreign limited
2864 liability company even though a receiver has not been appointed
2865 elsewhere. The receivership shall be converted into an ancillary
2866 receivership if an order entered by a court of competent
2867 jurisdiction in the other state provides for a receivership of
2868 the foreign limited liability company.

2869 605.0705 Decree of dissolution.-

2870 (1) If, after a hearing, the court determines that one or
2871 more grounds for judicial dissolution described in s. 605.0702

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2872 exist, the court may enter a decree dissolving the limited
2873 liability company and specifying the effective date of the
2874 dissolution, and the clerk of the court shall deliver a
2875 certified copy of the decree to the department, which shall file
2876 the decree.

2877 (2) After entering the decree of dissolution, the court
2878 shall direct the winding up and liquidation of the limited
2879 liability company's activities and affairs in accordance with
2880 ss. 605.0709-605.0713, subject to subsection (3).

2881 (3) In a proceeding for judicial dissolution, the court may
2882 require all creditors of the limited liability company to file
2883 with the clerk of the court or with the receiver, in a form as
2884 the court may prescribe, proofs under oath of their respective
2885 claims. If the court requires the filing of claims, the court
2886 shall fix a date, which may not be earlier than 4 months after
2887 the date of the order, as the last day for filing claims. The
2888 court shall prescribe the deadline for filing claims which shall
2889 be given to creditors and claimants. Before the date so fixed,
2890 the court may extend the time for the filing of claims by court
2891 order. Creditors and claimants failing to file proofs of claim
2892 on or before the date so fixed may be barred, by order of court,
2893 from participating in the distribution of the assets of the
2894 limited liability company. This section does not affect the
2895 enforceability of a recorded mortgage or lien or the perfected
2896 security interest or rights of a person in possession of real or
2897 personal property.

2898 605.0706 Election to purchase instead of dissolution.-

2899 (1) In a proceeding initiated by a member of a limited
2900 liability company under s. 605.0702(1)(b) to dissolve the

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2901 company, the company may elect, or, if it fails to elect, one or
2902 more other members may elect, to purchase the entire interest of
2903 the petitioner in the company at the fair value of the interest.
2904 An election pursuant to this section is irrevocable unless the
2905 court determines that it is equitable to set aside or modify the
2906 election.

2907 (2) An election to purchase pursuant to this section may be
2908 filed with the court within 90 days after the filing of the
2909 petition by the petitioning member under s. 605.0702(1)(b) or
2910 (2) or at such later time as the court may allow. If the
2911 election to purchase is filed, the company shall within 10 days
2912 thereafter, give written notice to all members, other than the
2913 petitioning member. The notice must describe the interest in the
2914 company owned by each petitioning member and must advise the
2915 recipients of their right to join in the election to purchase
2916 the petitioning member's interest in accordance with this
2917 section. Members who wish to participate must file notice of
2918 their intention to join in the purchase within 30 days after the
2919 effective date of the notice. A member who has filed an election
2920 or notice of the intent to participate in the election to
2921 purchase thereby becomes a party to the proceeding and shall
2922 participate in the purchase in proportion to the ownership
2923 interest as of the date the first election was filed unless the
2924 members otherwise agree or the court otherwise directs. After an
2925 election to purchase has been filed by the limited liability
2926 company or one or more members, the proceeding under s.
2927 605.0702(1)(b) or (2) may not be discontinued or settled, and
2928 the petitioning member may not sell or otherwise dispose of
2929 interest of the petitioner in the company unless the court

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2930 determines that it would be equitable to the company and the
2931 members, other than the petitioner, to authorize such
2932 discontinuance, settlement, sale, or other disposition or the
2933 sale is pursuant to a deadlock sale provision described in s.
2934 605.0702(1)(b).

2935 (3) If, within 60 days after the filing of the first
2936 election, the parties reach an agreement as to the fair value
2937 and terms of the purchase of the petitioner's interest, the
2938 court shall enter an order directing the purchase of the
2939 petitioner's interest upon the terms and conditions agreed to by
2940 the parties, unless the petitioner's interest has been acquired
2941 pursuant to a deadlock sale provision before the order.

2942 (4) If the parties are unable to reach an agreement as
2943 provided for in subsection (3), the court, upon application of a
2944 party, shall stay the proceedings and determine the fair value
2945 of the petitioner's interest as of the day before the date on
2946 which the petition was filed or as of such other date as the
2947 court deems appropriate under the circumstances.

2948 (5) Upon determining the fair value of the petitioner's
2949 interest in the company, unless the petitioner's interest has
2950 been acquired pursuant to a deadlock sale provision before the
2951 order, the court shall enter an order directing the purchase
2952 upon such terms and conditions as the court deems appropriate,
2953 which may include: payment of the purchase price in
2954 installments, when necessary in the interests of equity; a
2955 provision for security to ensure payment of the purchase price
2956 and additional costs, fees, and expenses as may have been
2957 awarded; and, if the interest is to be purchased by members, the
2958 allocation of the interest among those members. In allocating

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2959 petitioner's interest among holders of different classes or
2960 series of interests in the company, the court shall attempt to
2961 preserve the existing distribution of voting rights among
2962 holders of different classes insofar as practicable and may
2963 direct that holders of a specific class or classes or series not
2964 participate in the purchase. Interest may be allowed at the rate
2965 and from the date determined by the court to be equitable;
2966 however, if the court finds that the refusal of the petitioning
2967 member to accept an offer of payment was arbitrary or otherwise
2968 not in good faith, payment of interest is not allowed. If the
2969 court finds that the petitioning member had probable grounds for
2970 relief under s. 605.0702(1)(b)3. or 4., it may award to the
2971 petitioning member reasonable fees and expenses of counsel and
2972 of experts employed by petitioner.

2973 (6) Upon entry of an order under subsection (3) or
2974 subsection (5), the court shall dismiss the petition to dissolve
2975 the limited liability company, and the petitioning member shall
2976 no longer have rights or status as a member of the limited
2977 liability company except the right to receive the amounts
2978 awarded by the order of the court, which shall be enforceable in
2979 the same manner as any other judgment.

2980 (7) The purchase ordered pursuant to subsection (5) must be
2981 made within 10 days after the date the order becomes final
2982 unless, before that time, the limited liability company files
2983 with the court a notice of its intention to dissolve pursuant to
2984 s. 605.0701(2), in which case articles of dissolution for the
2985 company must be filed within 50 days thereafter. Upon filing of
2986 such articles of dissolution, the limited liability company
2987 shall be wound up in accordance with ss. 605.0709-605.0713, and

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2988 the order entered pursuant to subsection (5) shall no longer be
2989 of force or effect except that the court may award the
2990 petitioning member reasonable fees and expenses of counsel and
2991 experts in accordance with subsection (5), and the petitioner
2992 may continue to pursue any claims previously asserted on behalf
2993 of the limited liability company.

2994 (8) A payment by the limited liability company pursuant to
2995 an order under subsection (3) or subsection (5), other than an
2996 award of fees and expenses pursuant to subsection (5), is
2997 subject to s. 605.0405.

2998 605.0707 Articles of dissolution; filing of articles of
2999 dissolution.-

3000 (1) Upon the occurrence of an event described in s.
3001 605.0701(1)-(3), the limited liability company shall deliver for
3002 filing articles of dissolution as provided in this section.

3003 (2) The articles of dissolution must state the following:

3004 (a) The name of the limited liability company.

3005 (b) The delayed effective date of the limited liability
3006 company's dissolution if the dissolution is not to be effective
3007 on the date the articles of dissolution are filed by the
3008 department.

3009 (c) The occurrence that resulted in the limited liability
3010 company's dissolution.

3011 (d) If there are no members, the name, address, and
3012 signature of the person appointed in accordance with this
3013 subsection to wind up the company.

3014 (3) The articles of dissolution of the limited liability
3015 company shall be delivered to the department. If the department
3016 finds that the articles of dissolution conform to law, it shall,

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3017 when all fees have been paid as prescribed in this chapter, file
3018 the articles of dissolution and issue a certificate of
3019 dissolution.

3020 (4) Upon the filing of the articles of dissolution, the
3021 limited liability company shall cease conducting its business
3022 and shall continue solely for the purpose of winding up its
3023 affairs in accordance with s. 605.0709, except for the purpose
3024 of lawsuits, other proceedings, and appropriate action as
3025 provided in this chapter.

3026 605.0708 Revocation of articles of dissolution.-

3027 (1) A limited liability company that has dissolved as the
3028 result of an event described in s. 605.0701(1)-(3) and filed
3029 articles of dissolution with the department, but has not filed a
3030 statement of termination which has become effective, may revoke
3031 its dissolution at any time before 120 days after the effective
3032 date of its articles of dissolution.

3033 (2) The revocation of the dissolution shall be authorized
3034 in the same manner as the dissolution was authorized.

3035 (3) After the revocation of dissolution is authorized, the
3036 limited liability company shall deliver a statement of
3037 revocation of dissolution to the department for filing, together
3038 with a copy of its articles of dissolution, which must include
3039 the following:

3040 (a) The name of the limited liability company.

3041 (b) The effective date of the dissolution which was
3042 revoked.

3043 (c) The date that the statement of revocation of
3044 dissolution was authorized.

3045 (4) If there has been substantial compliance with

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3046 subsection (3), the revocation of dissolution is effective when
3047 the department files the statement of revocation of dissolution.

3048 (5) When the revocation of dissolution becomes effective:

3049 (a) The company resumes carrying on its activities and
3050 affairs as if dissolution had never occurred;

3051 (b) Subject to paragraph (c), a liability incurred by the
3052 company after the dissolution and before the revocation is
3053 effective is determined as if dissolution had never occurred;
3054 and

3055 (c) The rights of a third party arising out of conduct in
3056 reliance on the dissolution before the third party knew or had
3057 notice of the revocation may not be adversely affected.

3058 605.0709 Winding up.—

3059 (1) A dissolved limited liability company shall wind up its
3060 activities and affairs and, except as otherwise provided in ss.
3061 605.0708 and 605.0715, the company continues after dissolution
3062 only for the purpose of winding up.

3063 (2) In winding up its activities and affairs, a limited
3064 liability company:

3065 (a) Shall discharge or make provision for the company's
3066 debts, obligations, and other liabilities as provided in ss.
3067 605.0710-605.0713, settle and close the company's activities and
3068 affairs, and marshal and distribute the assets of the company;
3069 and

3070 (b) May:

3071 1. Preserve the company's activities, affairs, and property
3072 as a going concern for a reasonable time;

3073 2. Prosecute and defend actions and proceedings, whether
3074 civil, criminal, or administrative;

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3075 3. Transfer title to the company's real estate and other
3076 property;

3077 4. Settle disputes by mediation or arbitration;

3078 5. Dispose of its properties that will not be distributed
3079 in kind to its members; and

3080 6. Perform other acts necessary or appropriate to the
3081 winding up.

3082 (3) If a dissolved limited liability company has no
3083 members, the legal representative of the last person to have
3084 been a member may wind up the activities and affairs of the
3085 company. If the legal representative does so, the person has the
3086 powers of a sole manager under s. 605.0407(3) and is deemed to
3087 be a manager for the purposes of s. 605.0304(1).

3088 (4) If the legal representative under subsection (3)
3089 declines or fails to wind up the company's activities and
3090 affairs, a person may be appointed to do so by the consent of
3091 the transferees owning a majority of the rights to receive
3092 distributions as transferees at the time the consent is to be
3093 effective. A person appointed under this subsection has the
3094 powers of a sole manager under s. 605.0407(3) and is deemed to
3095 be a manager for the purposes of s. 605.0304(1).

3096 (5) A circuit court may order judicial supervision of the
3097 winding up of a dissolved limited liability company, including
3098 the appointment of one or more persons to wind up the company's
3099 activities and affairs:

3100 (a) On application of a member or manager if the applicant
3101 establishes good cause;

3102 (b) On the application of a transferee if:

3103 1. The company does not have any members;

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3104 2. The legal representative of the last person to have been
3105 a member declines or fails to wind up the company's activities
3106 and affairs; or

3107 3. Within a reasonable time following the dissolution a
3108 person has not been appointed pursuant to subsection (3);

3109 (c) On application of a creditor of the company if the
3110 applicant establishes good cause, but only if a receiver,
3111 custodian, or another person has not already been appointed for
3112 that purpose under this chapter; or

3113 (d) In connection with a proceeding under s. 605.0702 if a
3114 receiver, custodian, or another person has not already been
3115 appointed for that purpose under s. 605.0704.

3116 (6) The person or persons appointed by a court under
3117 subsection (5) may also be designated trustees for or receivers
3118 of the company with the authority to take charge of the limited
3119 liability company's property; to collect the debts and property
3120 due and belonging to the limited liability company; to prosecute
3121 and defend, in the name of the limited liability company, or
3122 otherwise, all such suits as may be necessary or proper for the
3123 purposes described above; to appoint an agent or agents under
3124 them; and to do all other acts that might be done by the limited
3125 liability company, if in being, which may be necessary for the
3126 final settlement of the unfinished activities and affairs of the
3127 limited liability company. The powers of the trustees or
3128 receivers may be continued as long as the court determines is
3129 necessary for the above purposes.

3130 (7) A dissolved limited liability company that has
3131 completed winding up may deliver to the department for filing a
3132 statement of termination that provides the following:

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- 3133 (a) The name of the limited liability company.
- 3134 (b) The date of filing of its initial articles of
3135 organization.
- 3136 (c) The date of the filing of its articles of dissolution.
- 3137 (d) The limited liability company has completed winding up
3138 its activities and affairs and has determined that it will file
3139 a statement of termination.
- 3140 (e) Other information as determined by the authorized
3141 representative.
- 3142 (8) The manager or managers in office at the time of
3143 dissolution or the survivors of such manager or managers, or, if
3144 none, the members, shall thereafter be trustees for the members
3145 and creditors of the dissolved limited liability company. The
3146 trustees may distribute property of the limited liability
3147 company discovered after dissolution, convey real estate and
3148 other property, and take such other action as may be necessary
3149 on behalf of and in the name of the dissolved limited liability
3150 company.
- 3151 605.0710 Disposition of assets in winding up.-
- 3152 (1) In winding up its activities and affairs, a limited
3153 liability company must apply its assets to discharge its
3154 obligations to creditors, including members who are creditors.
- 3155 (2) After a limited liability company complies with
3156 subsection (1), the surplus must be distributed in the following
3157 order, subject to a charging order in effect under s. 605.0503:
- 3158 (a) To each person owning a transferable interest that
3159 reflects contributions made and not previously returned, an
3160 amount equal to the value of the unreturned contributions; then
3161 (b) To members and persons dissociated as members, in the

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3162 proportions in which they shared in distributions before
3163 dissolution, except to the extent necessary to comply with a
3164 transfer effective under s. 605.0502.

3165 (3) If the limited liability company does not have
3166 sufficient surplus to comply with paragraph (2) (a), any surplus
3167 must be distributed among the owners of transferable interests
3168 in proportion to the value of their respective unreturned
3169 contributions.

3170 (4) All distributions made under subsections (2) and (3)
3171 must be paid in money.

3172 605.0711 Known claims against dissolved limited liability
3173 company.—

3174 (1) A dissolved limited liability company or successor
3175 entity, as defined in subsection (14), may dispose of the known
3176 claims against it by following the procedures described in
3177 subsections (2)-(7).

3178 (2) A dissolved limited liability company or successor
3179 entity shall deliver to each of its known claimants written
3180 notice of the dissolution after its effective date. The written
3181 notice must do the following:

3182 (a) Provide a reasonable description of the claim that the
3183 claimant may be entitled to assert.

3184 (b) State whether the claim is admitted or not admitted, in
3185 whole or in part, and, if admitted:

3186 1. The amount that is admitted, which may be as of a given
3187 date; and

3188 2. An interest obligation if fixed by an instrument of
3189 indebtedness.

3190 (c) Provide a mailing address to which a claim may be sent.

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3191 (d) State the deadline, which may not be less than 120 days
3192 after the effective date of the written notice, by which
3193 confirmation of the claim must be delivered to the dissolved
3194 limited liability company or successor entity.

3195 (e) State that the dissolved limited liability company or
3196 successor entity may make distributions to other claimants and
3197 to the members or transferees of the limited liability company
3198 or persons interested without further notice.

3199 (3) A dissolved limited liability company or successor
3200 entity may reject, in whole or in part, a claim made by a
3201 claimant pursuant to this subsection by mailing notice of the
3202 rejection to the claimant within 90 days after receipt of the
3203 claim and, in all events, at least 150 days before the
3204 expiration of the 3-year period after the effective date of
3205 dissolution. A notice sent by the dissolved limited liability
3206 company or successor entity pursuant to this subsection must be
3207 accompanied by a copy of this section.

3208 (4) A dissolved limited liability company or successor
3209 entity electing to follow the procedures described in
3210 subsections (2) and (3) shall also give notice of the
3211 dissolution of the limited liability company to persons who have
3212 known claims that are contingent upon the occurrence or
3213 nonoccurrence of future events or otherwise conditional or
3214 unmatured and request that the persons present the claims in
3215 accordance with the terms of the notice. The notice must be in
3216 substantially the same form and sent in the same manner as
3217 described in subsection (2).

3218 (5) A dissolved limited liability company or successor
3219 entity shall offer a claimant whose known claim is contingent,

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3220 conditional, or unmatured such security as the limited liability
3221 company or entity determines is sufficient to provide
3222 compensation to the claimant if the claim matures. The dissolved
3223 limited liability company or successor entity shall deliver such
3224 offer to the claimant within 90 days after receipt of the claim
3225 and, in all events, at least 150 days before expiration of 3
3226 years after the effective date of dissolution. If the claimant
3227 that is offered the security does not deliver in writing to the
3228 dissolved limited liability company or successor entity a notice
3229 rejecting the offer within 120 days after receipt of the offer
3230 for security, the claimant is deemed to have accepted such
3231 security as the sole source from which to satisfy his, her, or
3232 its claim against the limited liability company.

3233 (6) A dissolved limited liability company or successor
3234 entity that gives notice in accordance with subsections (2) and
3235 (4) shall petition the circuit court in the applicable county to
3236 determine the amount and form of security that are sufficient to
3237 provide compensation to a claimant that has rejected the offer
3238 for security made pursuant to subsection (5).

3239 (7) A dissolved limited liability company or successor
3240 entity that has given notice in accordance with subsection (2)
3241 shall petition the circuit court in the applicable county to
3242 determine the amount and form of security that will be
3243 sufficient to provide compensation to claimants whose claims are
3244 known to the limited liability company or successor entity but
3245 whose identities are unknown. The court shall appoint a guardian
3246 ad litem to represent all claimants whose identities are unknown
3247 in a proceeding brought under this subsection. The reasonable
3248 fees and expenses of the guardian, including all reasonable

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3249 expert witness fees, shall be paid by the petitioner in the
3250 proceeding.

3251 (8) The giving of notice or making of an offer pursuant to
3252 this section does not revive a claim then barred, extend an
3253 otherwise applicable statute of limitations, or constitute
3254 acknowledgment by the dissolved limited liability company or
3255 successor entity that a person to whom such notice is sent is a
3256 proper claimant, and does not operate as a waiver of a defense
3257 or counterclaim in respect of a claim asserted by a person to
3258 whom such notice is sent.

3259 (9) A dissolved limited liability company or successor
3260 entity that followed the procedures described in subsections
3261 (2)-(7) must:

3262 (a) Pay the claims admitted or made and not rejected in
3263 accordance with subsection (3);

3264 (b) Post the security offered and not rejected pursuant to
3265 subsection (5);

3266 (c) Post a security ordered by the circuit court in a
3267 proceeding under subsections (6) and (7); and

3268 (d) Pay or make provision for all other known obligations
3269 of the limited liability company or the successor entity.

3270
3271 If there are sufficient funds, such claims or obligations must
3272 be paid in full, and a provision for payments must be made in
3273 full. If there are insufficient funds, the claims and
3274 obligations shall be paid or provided for according to their
3275 priority and, among claims of equal priority, ratably to the
3276 extent of funds that are legally available therefor. Remaining
3277 funds shall be distributed to the members and transferees of the

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3278 dissolved limited liability company. However, the distribution
3279 may not be made before the expiration of 150 days after the date
3280 of the last notice of a rejection given pursuant to subsection
3281 (3). In the absence of actual fraud, the judgment of the
3282 managers of a dissolved manager-managed limited liability
3283 company or the members of a dissolved member-managed limited
3284 liability company, or other person or persons winding up the
3285 limited liability company or the governing persons of the
3286 successor entity, as to the provisions made for the payment of
3287 all obligations under paragraph (d), is conclusive.

3288 (10) A dissolved limited liability company or successor
3289 entity that has not followed the procedures described in
3290 subsections (2) and (3) shall pay or make reasonable provision
3291 to pay all known claims and obligations, including all
3292 contingent, conditional, or unmatured claims known to the
3293 dissolved limited liability company or the successor entity and
3294 all claims that are known to the dissolved limited liability
3295 company or the successor entity but for which the identity of
3296 the claimant is unknown. If there are sufficient funds, the
3297 claims must be paid in full, and a provision made for payment
3298 must be made in full. If there are insufficient funds, the
3299 claims and obligations shall be paid or provided for according
3300 to their priority and, among claims of equal priority, ratably
3301 to the extent of funds that are legally available. Remaining
3302 funds shall be distributed to the members and transferees of the
3303 dissolved limited liability company.

3304 (11) A member or transferee of a dissolved limited
3305 liability company to which the assets were distributed pursuant
3306 to subsection (9) or subsection (10) is not liable for a claim

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3307 against the limited liability company in an amount in excess of
3308 the member's or transferee's pro rata share of the claim or the
3309 amount distributed to the member or transferee, whichever is
3310 less.

3311 (12) A member or transferee of a dissolved limited
3312 liability company to whom the assets were distributed pursuant
3313 to subsection (9) is not liable for a claim against the limited
3314 liability company, which claim is known to the limited liability
3315 company or successor entity and on which a proceeding is not
3316 begun before the expiration of 3 years after the effective date
3317 of dissolution.

3318 (13) The aggregate liability of a person for claims against
3319 the dissolved limited liability company arising under this
3320 section or s. 605.0710 may not exceed the amount distributed to
3321 the person in dissolution.

3322 (14) As used in this section and s. 605.0710, the term
3323 "successor entity" includes a trust, receivership, or other
3324 legal entity governed by the laws of this state to which the
3325 remaining assets and liabilities of a dissolved limited
3326 liability company are transferred and which exists solely for
3327 the purposes of prosecuting and defending suits by or against
3328 the dissolved limited liability company, thereby enabling the
3329 dissolved limited liability company to settle and close the
3330 activities and affairs of the dissolved limited liability
3331 company, to dispose of and convey the property of the dissolved
3332 limited liability company, to discharge the liabilities of the
3333 dissolved limited liability company, and to distribute to the
3334 dissolved limited liability company's members or transferees any
3335 remaining assets, but not for the purpose of continuing the

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3336 activities and affairs for which the dissolved limited liability
3337 company was organized.

3338 (15) As used in this section and ss. 605.0712 and 605.0713,
3339 the term "applicable county" means the county in this state in
3340 which the limited liability company's principal office is
3341 located or was located at the effective date of dissolution; if
3342 the company has, and at the effective date of dissolution had,
3343 no principal office in this state, then in the county in which
3344 the company has, or at the effective date of dissolution had, an
3345 office in this state; or if none in this state, then in the
3346 county in which the company's registered office is or was last
3347 located.

3348 (16) As used in this section, the term "known claim" or
3349 "claim" includes unliquidated claims, but does not include a
3350 contingent liability that has not matured so that there is no
3351 immediate right to bring suit or a claim based on an event
3352 occurring after the effective date of dissolution.

3353 605.0712 Other claims against a dissolved limited liability
3354 company.-

3355 (1) A dissolved limited liability company or successor
3356 entity, as defined in s. 605.0711(14), may choose to execute one
3357 of the following procedures to resolve payment of unknown
3358 claims:

3359 (a) The company or successor entity may file notice of its
3360 dissolution with the department on the form prescribed by the
3361 department and request that persons who have claims against the
3362 company which are not known to the company or successor entity
3363 present them in accordance with the notice. The notice must:

3364 1. State the name of the company and the date of

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3365 dissolution;

3366 2. Describe the information that must be included in a
3367 claim, state that the claim must be in writing, and provide a
3368 mailing address to which the claim may be sent; and

3369 3. State that a claim against the company is barred unless
3370 an action to enforce the claim is commenced within 4 years after
3371 the filing of the notice.

3372 (b) The company or successor entity may publish notice of
3373 its dissolution and request persons who have claims against the
3374 company to present them in accordance with the notice. The
3375 notice must:

3376 1. Be published in a newspaper of general circulation in
3377 the county in which the dissolved limited liability company's
3378 principal office is located or, if the principal office is not
3379 located in this state, in the county in which the office of the
3380 company's registered agent is or was last located;

3381 2. Describe the information that must be included in a
3382 claim, state that the claim must be in writing, and provide a
3383 mailing address to which the claim is to be sent; and

3384 3. State that a claim against the company is barred unless
3385 an action to enforce the claim is commenced within 4 years after
3386 publication of the notice.

3387 (2) If a dissolved limited liability company complies with
3388 paragraph (1) (a) or paragraph (1) (b), unless sooner barred by
3389 another statute limiting actions, the claim of each of the
3390 following claimants is barred unless the claimant commences an
3391 action to enforce the claim against the dissolved limited
3392 liability company within 4 years after the publication date of
3393 the notice:

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3394 (a) A claimant that did not receive notice in a record
3395 under s. 605.0711;

3396 (b) A claimant whose claim was timely sent to the dissolved
3397 limited liability company but not acted on; and

3398 (c) A claimant whose claim is contingent at or based on an
3399 event occurring after the effective date of dissolution.

3400 (3) A claim that is not barred by this section, s.
3401 608.0711, or another statute limiting actions, may be enforced:

3402 (a) Against a dissolved limited liability company, to the
3403 extent of its undistributed assets; and

3404 (b) Except as otherwise provided in s. 605.0713, if assets
3405 of the limited liability company have been distributed after
3406 dissolution, against a member or transferee to the extent of
3407 that person's proportionate share of the claim or of the
3408 company's assets distributed to the member or transferee after
3409 dissolution, whichever is less, but a person's total liability
3410 for all claims under this subsection may not exceed the total
3411 amount of assets distributed to the person after dissolution.

3412 (4) This section does not extend an otherwise applicable
3413 statute of limitations.

3414 605.0713 Court proceedings.—

3415 (1) A dissolved limited liability company that has filed or
3416 published a notice under s. 605.0712(1)(a) or (1)(b) may file an
3417 application with the circuit court in the applicable county, as
3418 defined in s. 605.0711(15), for a determination of the amount
3419 and form of security to be provided for payment of claims that
3420 are contingent, have not been made known to the company, or are
3421 based on an event occurring after the effective date of
3422 dissolution but which, based on the facts known to the dissolved

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3423 company, are reasonably expected to arise after the effective
3424 date of dissolution. Security is not required for a claim that
3425 is, or is reasonably anticipated to be, barred under s.
3426 605.0712.

3427 (2) Within 10 days after filing an application under
3428 subsection (1), the dissolved limited liability company must
3429 give notice of the proceeding to each claimant holding a
3430 contingent claim known to the company.

3431 (3) In a proceeding under this section, the court may
3432 appoint a guardian ad litem to represent all claimants whose
3433 identities are unknown. The reasonable fees and expenses of the
3434 guardian ad litem, including all reasonable expert witness fees,
3435 must be paid by the dissolved limited liability company.

3436 (4) A dissolved limited liability company that provides
3437 security in the amount and form ordered by the court under
3438 subsection (1) satisfies the company's obligations with respect
3439 to claims that are contingent, have not been made known to the
3440 company, or are based on an event occurring after the effective
3441 date of dissolution, and such claims may not be enforced against
3442 a member or transferee that received assets in liquidation.

3443 605.0714 Administrative dissolution.-

3444 (1) The department may dissolve a limited liability company
3445 administratively if the company does not:

3446 (a) Deliver its annual report to the department by 5:00
3447 p.m. Eastern Time on the third Friday in September of each year;

3448 (b) Pay a fee or penalty due to the department under this
3449 chapter;

3450 (c) Appoint and maintain a registered agent as required
3451 under s. 605.0113; or

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3452 (d) Deliver for filing a statement of a change under s.
3453 605.0114 within 30 days after a change has occurred in the name
3454 or address of the agent unless, within 30 days after the change
3455 occurred:

3456 1. The agent filed a statement of change under s. 605.0116;
3457 or

3458 2. The change was made accordance with s. 605.0114(4).

3459 (2) Administrative dissolution of a limited liability
3460 company for failure to file an annual report must occur on the
3461 fourth Friday in September of each year. The department shall
3462 issue a notice in a record of administrative dissolution to the
3463 limited liability company dissolved for failure to file an
3464 annual report. Issuance of the notice may be by electronic
3465 transmission to a limited liability company that has provided
3466 the department with an e-mail address.

3467 (3) If the department determines that one or more grounds
3468 exist for administratively dissolving a limited liability
3469 company under paragraph (1) (b), paragraph (1) (c), or paragraph
3470 (1) (d), the department shall serve notice in a record to the
3471 limited liability company of its intent to administratively
3472 dissolve the limited liability company. Issuance of the notice
3473 may be by electronic transmission to a limited liability company
3474 that has provided the department with an e-mail address.

3475 (4) If, within 60 days after sending the notice of intent
3476 to administratively dissolve pursuant to subsection (3), a
3477 limited liability company does not correct each ground for
3478 dissolution under paragraph (1) (b), paragraph (1) (c), or
3479 paragraph (1) (d) or demonstrate to the reasonable satisfaction
3480 of the department that each ground determined by the department

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3481 does not exist, the department shall dissolve the limited
3482 liability company administratively and issue to the company a
3483 notice in a record of administrative dissolution that states the
3484 grounds for dissolution. Issuance of the notice of
3485 administrative dissolution may be by electronic transmission to
3486 a limited liability company that has provided the department
3487 with an e-mail address.

3488 (5) A limited liability company that has been
3489 administratively dissolved continues in existence but may only
3490 carry on activities necessary to wind up its activities and
3491 affairs, liquidate and distribute its assets, and notify
3492 claimants under ss. 605.0711 and 605.0712.

3493 (6) The administrative dissolution of a limited liability
3494 company does not terminate the authority of its registered agent
3495 for service of process.

3496 605.0715 Reinstatement.—

3497 (1) A limited liability company that is administratively
3498 dissolved under s. 605.0714 may apply to the department for
3499 reinstatement at any time after the effective date of
3500 dissolution. The company must submit a form of application for
3501 reinstatement prescribed and furnished by the department and
3502 provide all of the information required by the department,
3503 together with all fees and penalties then owed by the company at
3504 the rates provided by law at the time the company applies for
3505 reinstatement.

3506 (2) If the department determines that an application for
3507 reinstatement contains the information required under subsection
3508 (1) and that the information is correct, upon payment of all
3509 required fees and penalties, the department shall reinstate the

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3510 limited liability company.

3511 (3) When reinstatement under this section becomes
3512 effective:

3513 (a) The reinstatement relates back to and takes effect as
3514 of the effective date of the administrative dissolution.

3515 (b) The limited liability company may resume its activities
3516 and affairs as if the administrative dissolution had not
3517 occurred.

3518 (c) The rights of a person arising out of an act or
3519 omission in reliance on the dissolution before the person knew
3520 or had notice of the reinstatement are not affected.

3521 (4) The name of the dissolved limited liability company is
3522 not available for assumption or use by another business entity
3523 until 1 year after the effective date of dissolution unless the
3524 dissolved limited liability company provides the department with
3525 a record executed as required pursuant to s. 605.0203 permitting
3526 the immediate assumption or use of the name by another limited
3527 liability company.

3528 605.0716 Judicial review of denial of reinstatement.-

3529 (1) If the department denies a limited liability company's
3530 application for reinstatement after administrative dissolution,
3531 the department shall serve the company with a notice in a record
3532 that explains the reason or reasons for the denial.

3533 (2) Within 30 days after service of a notice of denial of
3534 reinstatement, a limited liability company may appeal the denial
3535 by petitioning the circuit court in the applicable county, as
3536 defined in s. 605.0711(15), to set aside the dissolution. The
3537 petition must be served on the department and contain a copy of
3538 the department's notice of administrative dissolution, the

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3539 company's application for reinstatement, and the department's
3540 notice of denial.

3541 (3) The court may order the department to reinstate a
3542 dissolved limited liability company or take other action the
3543 court considers appropriate.

3544 605.0717 Effect of dissolution.—

3545 (1) Dissolution of a limited liability company does not:

3546 (a) Transfer title to the limited liability company's
3547 assets;

3548 (b) Prevent commencement of a proceeding by or against the
3549 limited liability company in its name;

3550 (c) Abate or suspend a proceeding pending by or against the
3551 limited liability company on the effective date of dissolution;
3552 or

3553 (d) Terminate the authority of the registered agent of the
3554 limited liability company.

3555 (2) Except as provided in s. 605.0715(4), the name of the
3556 dissolved limited liability company is not available for
3557 assumption or use by another business entity until 120 days
3558 after the effective date of dissolution or filing of a statement
3559 of termination, if earlier.

3560 605.0801 Direct action by member.—

3561 (1) Subject to subsection (2), a member may maintain a
3562 direct action against another member, a manager, or the limited
3563 liability company to enforce the member's rights and otherwise
3564 protect the member's interests, including rights and interests
3565 under the operating agreement or this chapter or arising
3566 independently of the membership relationship.

3567 (2) A member maintaining a direct action under this section

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3568 must plead and prove an actual or threatened injury that is not
3569 solely the result of an injury suffered or threatened to be
3570 suffered by the limited liability company.

3571 605.0802 Derivative action.—A member may maintain a
3572 derivative action to enforce a right of a limited liability
3573 company if:

3574 (1) The member first makes a demand on the other members in
3575 a member-managed limited liability company or the managers of a
3576 manager-managed limited liability company requesting that the
3577 managers or other members cause the company to take suitable
3578 action to enforce the right, and the managers or other members
3579 do not take the action within a reasonable time, not to exceed
3580 90 days; or

3581 (2) A demand under subsection (1) would be futile, or
3582 irreparable injury would result to the company by waiting for
3583 the other members or the managers to take action to enforce the
3584 right in accordance with subsection (1).

3585 605.0803 Proper plaintiff.—A derivative action to enforce a
3586 right of a limited liability company may be maintained only by a
3587 person who is a member at the time the action is commenced and:

3588 (1) Was a member when the conduct giving rise to the action
3589 occurred; or

3590 (2) Whose status as a member devolved on the person by
3591 operation of law or pursuant to the terms of the operating
3592 agreement from a person who was a member at the time of the
3593 conduct.

3594 605.0804 Special litigation committee.—

3595 (1) If a limited liability company is named as or made a
3596 party in a derivative action, the company may appoint a special

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3597 litigation committee to investigate the claims asserted in the
3598 derivative action and determine whether pursuing the action is
3599 in the best interest of the company. If the company appoints a
3600 special litigation committee, on motion, except for good cause
3601 shown, the court may stay any derivative action for the time
3602 reasonably necessary to permit the committee to make its
3603 investigation. This subsection does not prevent the court from:

3604 (a) Enforcing a person's rights under the company's
3605 operating agreement or this chapter, including the person's
3606 rights to information under s. 605.0410; or

3607 (b) Exercising its equitable or other powers, including
3608 granting extraordinary relief in the form of a temporary
3609 restraining order or preliminary injunction.

3610 (2) A special litigation committee must be composed of one
3611 or more disinterested and independent individuals, who may be
3612 members.

3613 (3) A special litigation committee may be appointed:

3614 (a) In a member-managed limited liability company, by the
3615 consent of the members who are not named as parties in the
3616 derivative action, who are otherwise disinterested and
3617 independent, and who hold a majority of the current percentage
3618 or other interest in the profits of the company owned by all of
3619 the members of the company who are not named as parties in the
3620 derivative action and who are otherwise disinterested and
3621 independent;

3622 (b) In a manager-managed limited liability company, by a
3623 majority of the managers not named as parties in the derivative
3624 action and who are otherwise disinterested and independent; or

3625 (c) Upon motion by the limited liability company,

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3626 consisting of a panel of one or more disinterested and
3627 independent persons.

3628 (4) After appropriate investigation, a special litigation
3629 committee shall determine what action is in the best interest of
3630 the limited liability company, including continuing, dismissing,
3631 or settling the derivative action or taking another action that
3632 the special litigation committee deems appropriate.

3633 (5) After making a determination under subsection (4), a
3634 special litigation committee shall file or cause to be filed
3635 with the court a statement of its determination and its report
3636 supporting its determination and shall serve each party to the
3637 derivative action with a copy of the determination and report.
3638 Upon motion to enforce the determination of the special
3639 litigation committee, the court shall determine whether the
3640 members of the committee were disinterested and independent and
3641 whether the committee conducted its investigation and made its
3642 recommendation in good faith, independently, and with reasonable
3643 care, with the committee having the burden of proof. If the
3644 court finds that the members of the committee were disinterested
3645 and independent and that the committee acted in good faith,
3646 independently, and with reasonable care, the court may enforce
3647 the determination of the committee. Otherwise, the court shall
3648 dissolve any stay of derivative action entered under subsection
3649 (1) and allow the derivative action to continue under the
3650 control of the plaintiff.

3651 605.0805 Proceeds and expenses.—

3652 (1) Except as otherwise provided in subsection (2):

3653 (a) Proceeds or other benefits of a derivative action under
3654 s. 605.0802, whether by judgment, compromise, or settlement,

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3655 belong to the limited liability company and not to the
3656 plaintiff; and

3657 (b) If the plaintiff receives any proceeds, the plaintiff
3658 shall remit them immediately to the company.

3659 (2) If a derivative action under s. 608.0802 is successful
3660 in whole or in part, the court may award the plaintiff
3661 reasonable expenses, including reasonable attorney fees and
3662 costs, from the recovery of the limited liability company.

3663 605.0806 Voluntary dismissal or settlement; notice.—

3664 (1) A derivative action on behalf of a limited liability
3665 company may not be voluntarily dismissed or settled without the
3666 court's approval.

3667 (2) If the court determines that a proposed voluntary
3668 dismissal or settlement will substantially affect the interest
3669 of the limited liability company's members or a class, series,
3670 or voting group of members, the court shall direct that notice
3671 be given to the members affected. The court may determine which
3672 party or parties to the derivative action shall bear the expense
3673 of giving the notice.

3674 605.0901 Governing law.—

3675 (1) The law of the state or other jurisdiction under which
3676 a foreign limited liability company exists governs:

3677 (a) The organization and internal affairs of the foreign
3678 limited liability company; and

3679 (b) The liability of a member as member and a manager as
3680 manager for the debts, obligations, or other liabilities of the
3681 foreign limited liability company.

3682 (2) A foreign limited liability company may not be denied a
3683 certificate of authority by reason of a difference between its

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3684 jurisdiction of formation and the laws of this state.

3685 (3) A certificate of authority does not authorize a foreign
3686 limited liability company to engage in any business or exercise
3687 any power that a limited liability company may not engage in or
3688 exercise in this state.

3689 605.0902 Application for certificate of authority.—

3690 (1) A foreign limited liability company may not transact
3691 business in this state until it obtains a certificate of
3692 authority from the department. A foreign limited liability
3693 company may apply for a certificate of authority to transact
3694 business in this state by delivering an application to the
3695 department for filing. Such application must be made on forms
3696 prescribed by the department. The application must contain the
3697 following:

3698 (a) The name of the foreign limited liability company and,
3699 if the name does not comply with s. 605.0112, an alternate name
3700 adopted pursuant to s. 605.0906.

3701 (b) The name of the foreign limited liability company's
3702 jurisdiction of formation.

3703 (c) The principal office and mailing addresses of the
3704 foreign limited liability company.

3705 (d) The name and street address in this state of, and the
3706 written acceptance by, the foreign limited liability company's
3707 initial registered agent in this state.

3708 (e) The name, title or capacity, and address of at least
3709 one person who has the authority to manage the foreign limited
3710 liability company.

3711 (f) Additional information as may be necessary or
3712 appropriate in order to enable the department to determine

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3713 whether the foreign limited liability company is entitled to
3714 file an application for a certificate of authority to transact
3715 business in this state and to determine and assess the fees as
3716 prescribed in this chapter.

3717 (2) A foreign limited liability company shall deliver with
3718 a completed application under subsection (1) a certificate of
3719 existence or a record of similar import signed by the Secretary
3720 of State or other official having custody of the foreign limited
3721 liability company's publicly filed records in its jurisdiction
3722 of formation, dated not more than 90 days before the delivery of
3723 the application to the department.

3724 (3) For purposes of complying with the requirements of this
3725 chapter, the department may require each individual series or
3726 cell of a foreign series limited liability company that
3727 transacts business in this state to make a separate application
3728 for certificate of authority, and to make such other filings as
3729 may be required for purposes of complying with the requirements
3730 of this chapter as if each such series or cell were a separate
3731 foreign limited liability company.

3732 605.0903 Effect of a certificate of authority.-

3733 (1) Unless the department determines that an application
3734 for a certificate of authority of a foreign limited liability
3735 company to transact business in this state does not comply with
3736 the filing requirements of this chapter, the department shall,
3737 upon payment of all filing fees, authorize the foreign limited
3738 liability company to transact business in this state and file
3739 the application for a certificate of authority.

3740 (2) The filing by the department of an application for a
3741 certificate of authority authorizes the foreign limited

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3742 liability company that files the application to transact
3743 business in this state, subject, however, to the right of the
3744 department to suspend or revoke the certificate of authority as
3745 provided in this chapter.

3746 605.0904 Effect of failure to have certificate of
3747 authority.—

3748 (1) A foreign limited liability company transacting
3749 business in this state or its successors may not maintain an
3750 action or proceeding in this state unless it has a certificate
3751 of authority to transact business in this state.

3752 (2) The successor to a foreign limited liability company
3753 that transacted business in this state without a certificate of
3754 authority and the assignee of a cause of action arising out of
3755 that business may not maintain a proceeding based on that cause
3756 of action in a court in this state until the foreign limited
3757 liability company or its successor obtains a certificate of
3758 authority.

3759 (3) A court may stay a proceeding commenced by a foreign
3760 limited liability company or its successor or assignee until it
3761 determines whether the foreign limited liability company or its
3762 successor requires a certificate of authority. If it so
3763 determines, the court may further stay the proceeding until the
3764 foreign limited liability company or its successor obtains the
3765 certificate.

3766 (4) The failure of a foreign limited liability company to
3767 have a certificate of authority to transact business in this
3768 state does not impair the validity of a contract or act of the
3769 foreign limited liability company or prevent the foreign limited
3770 liability company from defending an action or proceeding in this

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3771 state.

3772 (5) A member or manager of a foreign limited liability
3773 company is not liable for the debts, obligations, or other
3774 liabilities of the foreign limited liability company solely
3775 because the foreign limited liability company transacted
3776 business in this state without a certificate of authority.

3777 (6) If a foreign limited liability company transacts
3778 business in this state without a certificate of authority or
3779 Cancels its certificate of authority, it appoints the department
3780 as its agent for service of process for rights of action arising
3781 out of the transaction of business in this state.

3782 (7) A foreign limited liability company that transacts
3783 business in this state without obtaining a certificate of
3784 authority is liable to this state for the years or parts thereof
3785 during which it transacted business in this state without
3786 obtaining a certificate of authority in an amount equal to all
3787 fees and penalties that would have been imposed by this chapter
3788 upon the foreign limited liability company had it duly applied
3789 for and received a certificate authority to transact business in
3790 this state as required under this chapter. In addition to the
3791 payments thus prescribed, the foreign limited liability company
3792 is liable for a civil penalty of at least \$500 but not more than
3793 \$1,000 for each year or part thereof during which it transacts
3794 business in this state without a certificate of authority. The
3795 department may collect all penalties due under this subsection.

3796 605.0905 Activities not constituting transacting business.—

3797 (1) The following activities, among others, do not
3798 constitute transacting business within the meaning of s.

3799 605.0902(1):

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- 3800 (a) Maintaining, defending, or settling any proceeding.
- 3801 (b) Holding meetings of the managers or members or carrying
3802 on other activities concerning internal company affairs.
- 3803 (c) Maintaining bank accounts.
- 3804 (d) Maintaining managers or agencies for the transfer,
3805 exchange, and registration of the foreign limited liability
3806 company's own securities or maintaining trustees or depositaries
3807 with respect to those securities.
- 3808 (e) Selling through independent contractors.
- 3809 (f) Soliciting or obtaining orders, whether by mail or
3810 through employees, agents, or otherwise, if the orders require
3811 acceptance outside this state before they become contracts.
- 3812 (g) Creating or acquiring indebtedness, mortgages, and
3813 security interests in real or personal property.
- 3814 (h) Securing or collecting debts or enforcing mortgages and
3815 security interests in property securing the debts.
- 3816 (i) Transacting business in interstate commerce.
- 3817 (j) Conducting an isolated transaction that is completed
3818 within 30 days and that is not one in the course of repeated
3819 transactions of a like nature.
- 3820 (k) Owning and controlling a subsidiary corporation
3821 incorporated in or limited liability company formed in, or
3822 transacting business within, this state; voting the stock of any
3823 such subsidiary corporation; or voting the membership interests
3824 of any such limited liability company, which it has lawfully
3825 acquired.
- 3826 (l) Owning a limited partner interest in a limited
3827 partnership that is transacting business within this state,
3828 unless the limited partner manages or controls the partnership

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3829 or exercises the powers and duties of a general partner.

3830 (m) Owning, without more, real or personal property.

3831 (2) The list of activities in subsection (1) is not an
3832 exhaustive list of activities that constitute transacting
3833 business within the meaning of s. 605.0902(1).

3834 (3) The ownership in this state of income-producing real
3835 property or tangible personal property, other than property
3836 excluded under subsection (1), constitutes transacting business
3837 in this state for purposes of s. 605.0902(1).

3838 (4) This section does not apply when determining the
3839 contacts or activities that may subject a foreign limited
3840 liability company to service of process, taxation, or regulation
3841 under the law of this state other than this chapter.

3842 605.0906 Noncomplying name of foreign limited liability
3843 company.-

3844 (1) A foreign limited liability company whose name is
3845 unavailable under or whose name does not otherwise comply with
3846 s. 605.0112 may use an alternate name that complies with s.
3847 605.0112 to transact business in this state. An alternate name
3848 adopted for use in this state shall be cross-referenced to the
3849 actual name of the foreign limited liability company in the
3850 records of the department. If the actual name of the foreign
3851 limited liability company subsequently becomes available in this
3852 state or the foreign limited liability company chooses to change
3853 its alternate name, a copy of the record approving the change by
3854 its members, managers, or other persons having the authority to
3855 do so, and executed as required pursuant to s. 605.0203, shall
3856 be delivered to the department for filing.

3857 (2) A foreign limited liability company that adopts an

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3858 alternate name under subsection (1) and obtains a certificate of
3859 authority with the alternate name need not comply with s.
3860 865.09.

3861 (3) After obtaining a certificate of authority with an
3862 alternate name, a foreign limited liability company shall
3863 transact business in this state under the alternate name unless
3864 the company is authorized under s. 865.09 to transact business
3865 in this state under another name.

3866 (4) If a foreign limited liability company authorized to
3867 transact business in this state changes its name to one that
3868 does not comply with s. 605.0112, it may not thereafter transact
3869 business in this state until it complies with subsection (1) and
3870 obtains an amended certificate of authority.

3871 605.0907 Amendment to certificate of authority.-

3872 (1) A foreign limited liability company authorized to
3873 transact business in this state shall deliver for filing an
3874 amendment to its certificate of authority to reflect the change
3875 of any of the following:

3876 (a) Its name on the records of the department.

3877 (b) Its jurisdiction of formation.

3878 (c) The name and street address in this state of the
3879 company's registered agent in this state, unless the change was
3880 timely made in accordance with s. 605.0114 or s. 605.0116.

3881 (d) Any person identified in accordance with s.
3882 605.0902(1)(e), or a change in the title or capacity or address
3883 of that person.

3884 (2) The amendment must be filed within 30 days after the
3885 occurrence of a change described in subsection (1), must be
3886 signed by an authorized representative of the foreign limited

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3887 liability company, and must state the following:

3888 (a) The name of the foreign limited liability company as it
3889 appears on the records of the department.

3890 (b) Its jurisdiction of formation.

3891 (c) The date the foreign limited liability company was
3892 authorized to transact business this state.

3893 (d) If the name of the foreign limited liability company
3894 has been changed, the name relinquished and its new name.

3895 (e) If the amendment changes the jurisdiction of formation
3896 of the foreign limited liability company, a statement of that
3897 change.

3898 (3) Subject to subsection (4), a foreign limited liability
3899 company authorized to do business in this state may make
3900 application to the department to obtain an amended certificate
3901 of authority to add, remove, or change the name, title,
3902 capacity, or address of a person who has the authority to manage
3903 the foreign limited liability company.

3904 (4) The requirements of s. 605.0902(2) for obtaining an
3905 original certificate of authority apply to obtaining an amended
3906 certificate under this section unless the Secretary of State or
3907 other official having custody of the foreign limited liability
3908 company's publicly filed records in its jurisdiction of
3909 formation did not require an amendment to effectuate the change
3910 on its records.

3911 605.0908 Revocation of certificate of authority.-

3912 (1) A certificate of authority of a foreign limited
3913 liability company to transact business in this state may be
3914 revoked by the department if:

3915 (a) The foreign limited liability company does not deliver

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3916 its annual report to the department by 5 p.m. Eastern Time on
3917 the third Friday in September of each year;

3918 (b) The foreign limited liability company does not pay a
3919 fee or penalty due to the department under this chapter;

3920 (c) The foreign limited liability company does not appoint
3921 and maintain a registered agent as required under s. 605.0113;

3922 (d) The foreign limited liability company does not deliver
3923 for filing a statement of a change under s. 605.0114 within 30
3924 days after a change has occurred in the name or address of the
3925 agent, unless, within 30 days after the change occurred, either:

3926 1. The registered agent files a statement of change under
3927 s. 605.0116; or

3928 2. The change was made in accordance with s. 605.0114(4) or
3929 s. 605.0907(1)(d);

3930 (e) The foreign limited liability company has failed to
3931 amend its certificate of authority to reflect a change in its
3932 name on the records of the department or its jurisdiction of
3933 formation;

3934 (f) The department receives a duly authenticated
3935 certificate from the official having custody of records in the
3936 company's jurisdiction of formation stating that it has been
3937 dissolved or is no longer active on the official's records;

3938 (g) The foreign limited liability company's period of
3939 duration has expired;

3940 (h) A member, manager, or agent of the foreign limited
3941 liability company signs a document that the member, manager, or
3942 agent knew was false in a material respect with the intent that
3943 the document be delivered to the department for filing; or

3944 (i) The foreign limited liability company has failed to

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3945 answer truthfully and fully, within the time prescribed in s.
3946 605.1104, interrogatories propounded by the department.

3947 (2) Revocation of a foreign limited liability company's
3948 certificate of authority for failure to file an annual report
3949 shall occur on the 4th Friday in September of each year. The
3950 department shall issue a notice in a record of the revocation to
3951 the revoked foreign limited liability company. Issuance of the
3952 notice may be by electronic transmission to a foreign limited
3953 liability company that has provided the department with an e-
3954 mail address.

3955 (3) If the department determines that one or more grounds
3956 exist under paragraphs (1)(b)-(i) for revoking a foreign limited
3957 liability company's certificate of authority, the department
3958 shall issue a notice in a record to the foreign limited
3959 liability company of the department's intent to revoke the
3960 certificate of authority. Issuance of the notice may be by
3961 electronic transmission to a foreign limited liability company
3962 that has provided the department with an e-mail address.

3963 (4) If, within 60 days after the department sends the
3964 notice of intent to revoke in accordance with subsection (3),
3965 the foreign limited liability company does not correct each
3966 ground for revocation or demonstrate to the reasonable
3967 satisfaction of the department that each ground determined by
3968 the department does not exist, the department shall revoke the
3969 foreign limited liability company's authority to transact
3970 business in this state and issue a notice in a record of
3971 revocation which states the grounds for revocation. Issuance of
3972 the notice may be by electronic transmission to a foreign
3973 limited liability company that has provided the department with

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3974 an e-mail address.

3975 605.0909 Reinstatement following revocation of certificate
3976 of authority.-

3977 (1) A foreign limited liability company whose certificate
3978 of authority has been revoked may apply to the department for
3979 reinstatement at any time after the effective date of the
3980 revocation. The foreign limited liability company applying for
3981 reinstatement must provide information in a form prescribed and
3982 furnished by the department and pay all fees and penalties then
3983 owed by the foreign limited liability company at rates provided
3984 by law at the time the foreign limited liability company applies
3985 for reinstatement.

3986 (2) If the department determines that an application for
3987 reinstatement contains the information required under subsection
3988 (1) and that the information is correct, upon payment of all
3989 required fees and penalties, the department shall reinstate the
3990 foreign limited liability company's certificate of authority.

3991 (3) When a reinstatement becomes effective, it relates back
3992 to and takes effect as of the effective date of the revocation
3993 of authority and the foreign limited liability company may
3994 resume its activities in this state as if the revocation of
3995 authority had not occurred.

3996 (4) The name of the foreign limited liability company whose
3997 certificate of authority has been revoked is not available for
3998 assumption or use by another business entity until 1 year after
3999 the effective date of revocation of authority unless the limited
4000 liability company provides the department with a record executed
4001 pursuant to s. 605.0203 which authorizes the immediate
4002 assumption or use of its name by another limited liability

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4003 company.

4004 (5) If the name of the foreign limited liability company
4005 applying for reinstatement has been lawfully assumed in this
4006 state by another business entity, the department shall require
4007 the foreign limited liability company to comply with s. 605.0906
4008 before accepting its application for reinstatement.

4009 605.0910 Withdrawal and cancellation of certificate of
4010 authority.—To cancel its certificate of authority to transact
4011 business in this state, a foreign limited liability company must
4012 deliver to the department for filing a notice of withdrawal of
4013 certificate of authority. The certificate is canceled when the
4014 notice becomes effective pursuant to s. 605.0207. The notice of
4015 withdrawal of certificate of authority must be signed by an
4016 authorized representative and state the following:

4017 (1) The name of the foreign limited liability company as it
4018 appears on the records of the department.

4019 (2) The name of the foreign limited liability company's
4020 jurisdiction of formation.

4021 (3) The date the foreign limited liability company was
4022 authorized to transact business in this state.

4023 (4) The foreign limited liability company is withdrawing
4024 its certificate of authority in this state.

4025 605.0911 Withdrawal deemed on conversion to domestic filing
4026 entity.—A registered foreign limited liability company that
4027 converts to a domestic limited liability company or to another
4028 domestic entity that is organized, incorporated, registered or
4029 otherwise formed through the delivery of a record to the
4030 department for filing is deemed to have withdrawn its
4031 certificate of authority on the effective date of the

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4032 conversion.

4033 605.0912 Withdrawal on dissolution, merger, or conversion
4034 to nonfiling entity.-

4035 (1) A registered foreign limited liability company that has
4036 dissolved and completed winding up, merged into a foreign entity
4037 that is not registered in this state, or has converted to a
4038 domestic or foreign entity that is not organized, incorporated,
4039 registered or otherwise formed through the public filing of a
4040 record, shall deliver a notice of withdrawal of certificate of
4041 authority to the department for filing in accordance with s.
4042 605.0910.

4043 (2) After a withdrawal under this section of a foreign
4044 entity that has converted to another type of entity is
4045 effective, service of process in any action or proceeding based
4046 on a cause of action arising during the time the foreign limited
4047 liability company was registered to do business in this state
4048 may be made pursuant to s. 605.0117.

4049 605.0913 Action by Department of Legal Affairs.-The
4050 Department of Legal Affairs may maintain an action to enjoin a
4051 foreign limited liability company from transacting business in
4052 this state in violation of this chapter.

4053 605.1001 Relationship of the provisions of ss. 605.1001-
4054 605.1072 to other laws.-

4055 (1) The provisions of ss. 605.1001-605.1072 do not
4056 authorize an act prohibited by, and do not affect the
4057 application or requirements of, law other than the provisions of
4058 ss. 605.1001-605.1072.

4059 (2) A transaction effected under ss. 605.1001-605.1072 may
4060 not create or impair a right or obligation on the part of a

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4061 person under a provision of the law of this state other than ss.
4062 605.1001-605.1072, relating to a change in control, takeover,
4063 business combination, control-share acquisition, or similar
4064 transaction involving a merging, acquiring, or converting
4065 domestic business corporation unless:

4066 (a) If the corporation does not survive the transaction,
4067 the transaction satisfies the requirements of the provision; or

4068 (b) If the corporation survives the transaction, the
4069 approval of the plan is by a vote of the shareholders or
4070 directors which would be sufficient to create or impair the
4071 right or obligation directly under the provision.

4072 605.1002 Charitable and donative provisions.-

4073 (1) Property held for a charitable purpose under the law of
4074 this state by a domestic or foreign entity immediately before a
4075 transaction under this chapter becomes effective may not, as a
4076 result of the transaction, be diverted from the objects for
4077 which it was donated, granted, devised, or otherwise transferred
4078 unless, to the extent required under or pursuant to the law of
4079 this state concerning cy pres or other law dealing with
4080 nondiversion of charitable assets, the entity obtains an
4081 appropriate order of the appropriate court specifying the
4082 disposition of the property.

4083 (2) A bequest, devise, gift, grant, or promise contained in
4084 a will or other instrument of donation, subscription, or
4085 conveyance that is made to a merging entity that is not the
4086 surviving entity and that takes effect or remains payable after
4087 the merger inures to the surviving entity. A trust obligation
4088 that would govern property if transferred to the nonsurviving
4089 entity applies to property that is transferred to the surviving

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4090 entity under this section.

4091 605.1003 Status of filings.—A filing under ss. 605.1001-
4092 605.1072 signed by a domestic entity becomes part of the public
4093 organic record of the entity if the entity's organic law
4094 provides that similar filings under that law become part of the
4095 public organic record of the entity.

4096 605.1004 Nonexclusivity.—The fact that a transaction under
4097 ss. 605.1001-605.1072 produces a certain result does not
4098 preclude the same result from being accomplished in any other
4099 manner authorized under a law other than the provisions of ss.
4100 605.1001-605.1072.

4101 605.1005 Reference to external facts.—A plan may refer to
4102 facts ascertainable outside the plan if the manner in which the
4103 facts will operate upon the plan is specified in the plan. The
4104 facts may include the occurrence of an event or a determination
4105 or action by a person, whether or not the event, determination,
4106 or action is within the control of a party to the transaction.

4107 605.1006 Appraisal rights.—

4108 (1) A member of a limited liability company is entitled to
4109 appraisal rights and to obtain payment of the fair value of that
4110 member's membership interest in the following events:

4111 (a) Consummation of a merger of a limited liability company
4112 pursuant to this chapter where the member possessed the right to
4113 vote upon the merger.

4114 (b) Consummation of a conversion of such limited liability
4115 company pursuant to this chapter where the member possessed the
4116 right to vote upon the conversion.

4117 (c) Consummation of an interest exchange pursuant to this
4118 chapter where the member possessed the right to vote upon the

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4119 interest exchange except that appraisal rights are not available
4120 to any interest holder of the limited liability company whose
4121 interest in the limited liability company is not subject to
4122 exchange in the interest exchange.

4123 (d) Consummation of a sale of substantially all of the
4124 assets of a limited liability company where the member possessed
4125 the right to vote upon the sale unless the sale is pursuant to
4126 court order or the sale is for cash pursuant to a plan under
4127 which all or substantially all of the net proceeds of the sale
4128 will be distributed to the interest holders within 1 year after
4129 the date of sale.

4130 (e) An amendment to the organic rules of the entity which
4131 reduces the interest of the holder to a fraction of an interest,
4132 if the limited liability company will be obligated to or will
4133 have the right to repurchase the fractional interest so created.

4134 (f) An amendment to the organic rules of an entity, the
4135 effect of which is to alter or abolish voting or other rights
4136 with respect to such interest in a manner that is adverse to the
4137 interest of such member, except as the right may be affected by
4138 the voting or other rights of new interests then being
4139 authorized of a new class or series of interests.

4140 (g) An amendment to the organic rules of an entity the
4141 effect of which is to adversely affect the interest of the
4142 member by altering or abolishing appraisal rights under this
4143 section.

4144 (h) To the extent otherwise expressly authorized by the
4145 organic rules of the limited liability company.

4146 (2) A limited liability company may modify, restrict, or
4147 eliminate the appraisal rights provided in this section in its

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4148 organic rules if the provision modifying, restricting, or
4149 eliminating the appraisal rights is authorized by each member
4150 whose appraisal rights are being modified, restricted, or
4151 eliminated. Organic rules containing an express waiver of
4152 appraisal rights that are approved by a member constitute a
4153 waiver of appraisal rights with respect to such member to the
4154 extent provided in such organic rules.

4155 (3) To the extent that appraisal rights are available
4156 hereunder, ss. 605.1061-605.1072 govern the procedures with
4157 respect to such appraisal rights as between the limited
4158 liability company and its members.

4159 (4) Notwithstanding subsection (1), the availability of
4160 appraisal rights must be limited in accordance with the
4161 following provisions:

4162 (a) Appraisal rights are not available for holders of a
4163 membership interests that are:

4164 1. A covered security under section 18(b)(1)(A) or (B) of
4165 the Securities Act of 1933, as amended;

4166 2. Traded in an organized market and part of a class or
4167 series that has at least 2,000 members or other holders and a
4168 market value of at least \$20 million, exclusive of the value of
4169 such class or series of membership interests held by the limited
4170 liability company's subsidiaries, senior executives, managers,
4171 and beneficial members owning more than 10 percent of such class
4172 or series of membership interests; or

4173 3. Issued by an open-end management investment company
4174 registered with the Securities and Exchange Commission under the
4175 Investment Company Act of 1940 and subject to being redeemed at
4176 the option of the holder at net asset value.

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4177 (b) The applicability of paragraph (a) shall be determined
4178 as of the date fixed to determine the members entitled to
4179 receive notice of and to vote upon the appraisal event, or the
4180 day before the effective date of such appraisal event if there
4181 is no meeting of the members to vote upon the appraisal event.

4182 (c) Subsection (4) does not apply to, and appraisal rights
4183 must be available pursuant to subsection (1) for, any members
4184 who are required by the appraisal event to accept for their
4185 membership interests anything other than cash or a proprietary
4186 interest in an entity that satisfies the standards provided in
4187 paragraph (a) at the time the appraisal event becomes effective.

4188 (d) Subsection (4) does not apply to, and appraisal rights
4189 must be available pursuant to subsection (1) for, the holder of
4190 a membership interest if:

4191 1. Any of the members' interests in the limited liability
4192 company or the limited liability company's assets are being
4193 acquired or converted, whether by merger, conversion, or
4194 otherwise, pursuant to the appraisal event by a person or by an
4195 affiliate of a person who:

4196 a. Is or at any time in the 1-year period immediately
4197 preceding approval of the appraisal event was the beneficial
4198 owner of 20 percent or more of those interests in the limited
4199 liability company entitled to vote on the appraisal event,
4200 excluding any such interests acquired pursuant to an offer for
4201 all interests having such voting rights, if such offer was made
4202 within 1 year before the appraisal event for consideration of
4203 the same kind and of a value equal to or less than that paid in
4204 connection with the appraisal event; or

4205 b. Directly or indirectly has, or at any time in the 1-year

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4206 period immediately preceding approval of the appraisal event
4207 had, the power, contractually or otherwise, to cause the
4208 appointment or election of any senior executives or managers of
4209 the limited liability company; or

4210 2. Any of the members' interests in the limited liability
4211 company or the limited liability company's assets are being
4212 acquired or converted, whether by merger, conversion, or
4213 otherwise, pursuant to the appraisal event by a person, or by an
4214 affiliate of a person, who is or at any time in the 1-year
4215 period immediately preceding approval of the appraisal event was
4216 a senior executive of the limited liability company or a senior
4217 executive of any affiliate of the limited liability company, and
4218 that senior executive will receive, as a result of the limited
4219 liability company action, a financial benefit not generally
4220 available to members, other than:

4221 a. Employment, consulting, retirement, or similar benefits
4222 established separately and not as part, or in contemplation, of
4223 the appraisal event;

4224 b. Employment, consulting, retirement, or similar benefits
4225 established in contemplation, or as part, of the appraisal event
4226 which are not more favorable than those existing before the
4227 appraisal event or, if more favorable, which have been approved
4228 by the limited liability company; or

4229 c. In the case of a manager of the limited liability
4230 company who will, during or as the result of the appraisal
4231 event, become a manager, general partner, or director of the
4232 surviving or converted entity or one of its affiliates, those
4233 rights and benefits as a manager, general partner, or director
4234 which are provided on the same basis as those afforded by the

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4235 surviving or converted entity generally to other managers,
4236 general partners, or directors of the surviving or converted
4237 entity or its affiliate.

4238 (e) For the purposes of sub-subparagraph (4)(d)1.a., the
4239 term "beneficial owner" means a person who, directly or
4240 indirectly, through a contract, arrangement, or understanding,
4241 other than a revocable proxy, has or shares the right to vote or
4242 to direct the voting of an interest in a limited liability
4243 company with respect to approval of the appraisal event;
4244 however, a member of a national securities exchange may not be
4245 deemed to be a beneficial owner of an interest in a limited
4246 liability company held directly or indirectly by it on behalf of
4247 another person solely because the member is the record holder of
4248 interests in the limited liability company if the member is
4249 precluded by the rules of such exchange from voting without
4250 instruction on contested matters or matters that may
4251 substantially affect the rights or privileges of the holders of
4252 the interests in the limited liability company to be voted. If
4253 two or more persons agree to act together for the purpose of
4254 voting such interests, each member of the group formed thereby
4255 is deemed to have acquired beneficial ownership, as of the date
4256 of such agreement, of all voting interests in the limited
4257 liability company beneficially owned by a member or members of
4258 the group.

4259 605.1021 Merger authorized.—

4260 (1) By complying with the provisions of ss. 605.1021-
4261 605.1026:

4262 (a) One or more domestic limited liability companies may
4263 merge with one or more domestic or foreign entities into a

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4264 domestic or foreign surviving entity; and

4265 (b) Two or more foreign entities may merge into a domestic
4266 limited liability company.

4267 (2) By complying with the provisions of ss. 605.1021-
4268 605.1026 which are applicable to foreign entities, a foreign
4269 entity may be a party to a merger under the provisions of ss.
4270 605.1021-605.1026 or may be the surviving entity in such a
4271 merger if the merger is authorized by the law of the foreign
4272 entity's jurisdiction of formation.

4273 (3) In the case of a merger involving a limited liability
4274 company that is a not-for-profit company, the surviving limited
4275 liability company or other business entity must also be a not-
4276 for-profit entity.

4277 605.1022 Plan of merger.-

4278 (1) A domestic limited liability company may become a party
4279 to a merger under the provisions of ss. 605.1021-605.1026 by
4280 approving a plan of merger. The plan must be in a record and
4281 contain the following:

4282 (a) As to each merging entity, its name, jurisdiction of
4283 formation, and type of entity.

4284 (b) The surviving entity in the merger.

4285 (c) The manner and basis of converting the interests and
4286 the rights to acquire interests in each party to the merger into
4287 interests, securities, obligations, money, other property,
4288 rights to acquire interests or securities, or any combination of
4289 the foregoing.

4290 (d) If the surviving entity exists before the merger, any
4291 proposed amendments to or restatements of its public organic
4292 record, or any proposed amendments to or restatements of its

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4293 private organic rules, which are or are proposed to be in a
4294 record, and all such amendments or restatements that are
4295 effective at the effective date of the merger.

4296 (e) If the surviving entity is to be created in the merger,
4297 its proposed public organic record and the full text of its
4298 private organic rules that are proposed to be in a record, if
4299 any.

4300 (f) The other terms and conditions of the merger.

4301 (g) Any other provision required by the law of a merging
4302 entity's jurisdiction of formation or the organic rules of a
4303 merging entity.

4304 (2) In addition to the requirements under subsection (1), a
4305 plan of merger may contain any other provision not prohibited by
4306 law.

4307 605.1023 Approval of merger.—

4308 (1) A plan of merger is not effective unless it has been
4309 approved:

4310 (a) With respect to a domestic merging limited liability
4311 company, by a majority-in-interest of the members; and

4312 (b) In a record, by each member of a merging limited
4313 liability company which will have interest holder liability for
4314 debts, obligations, and other liabilities that arise after the
4315 merger becomes effective, unless:

4316 1. The organic rules of the company in a record provide for
4317 the approval of a merger in which some or all of its members
4318 become subject to interest holder liability by the vote or
4319 consent of fewer than all of the members; and

4320 2. The member consented in a record to or voted for that
4321 provision of the organic rules or became a member after the

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4322 adoption of that provision.

4323 (2) A merger involving a domestic merging entity that is
4324 not a limited liability company is not effective unless the
4325 merger is approved by that entity in accordance with its organic
4326 law.

4327 (3) A merger involving a foreign merging entity is not
4328 effective unless the merger is approved by the foreign entity in
4329 accordance with the law of the foreign entity's jurisdiction of
4330 formation.

4331 (4) All members of each domestic limited liability company
4332 that is a party to the merger who have a right to vote upon the
4333 merger must be given written notice of any meeting with respect
4334 to the approval of a plan of merger as provided in subsection
4335 (1) not less than 10 days and not more than 60 days before the
4336 date of the meeting at which the plan of merger is submitted for
4337 approval by the members of such limited liability company. The
4338 notification required under this subsection may be waived in
4339 writing by the person or persons entitled to such notification.

4340 (5) The notification required under subsection (4) must be
4341 in writing and must include the following:

4342 (a) The date, time, and place of the meeting at which the
4343 plan of merger is to be submitted for approval by the members of
4344 the limited liability company.

4345 (b) A copy of the plan of merger.

4346 (c) The statement or statements required under s. 605.1006
4347 and ss. 605.1061-605.1072 regarding the availability of
4348 appraisal rights, if any, to members of the limited liability
4349 company.

4350 (d) The date on which such notification was mailed or

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4351 delivered to the members.

4352 (6) In addition to the requirements under subsection (5),
4353 the notification required under subsection (4) may contain any
4354 other information concerning the plan of merger not prohibited
4355 by applicable law.

4356 (7) The notification required under subsection (4) is
4357 deemed to be given at the earliest date of:

4358 (a) The date such notification is received;

4359 (b) Five days after the date such notification is deposited
4360 in the United States mail addressed to the member at the
4361 member's address as it appears in the books and records of the
4362 limited liability company, with prepaid postage affixed;

4363 (c) The date shown on the return receipt if sent by
4364 registered or certified mail, return receipt requested, and the
4365 receipt is signed by or on behalf of the addressee; or

4366 (d) The date such notification is given in accordance with
4367 the provisions of the organic rules of the limited liability
4368 company.

4369 605.1024 Amendment or abandonment of plan of merger.-

4370 (1) A plan of merger may be amended only with the consent
4371 of each party to the plan except as otherwise provided in the
4372 plan or in the organic rules of each such entity.

4373 (2) A merging limited liability company may approve an
4374 amendment of a plan of merger:

4375 (a) In the same manner that the plan was approved if the
4376 plan does not provide for the manner in which it may be amended;
4377 or

4378 (b) By the managers or members in the manner provided in
4379 the plan, but a member who was entitled to vote on or consent to

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4380 the approval of the merger is entitled to vote on or consent to
4381 an amendment of the plan which will change:

4382 1. The amount or kind of interests, securities,
4383 obligations, money, other property, rights to acquire interests
4384 or securities, or any combination of the foregoing, to be
4385 received by the interest holders of any party to the plan;

4386 2. The public organic record, if any, or private organic
4387 rules of the surviving entity which will be in effect
4388 immediately after the merger becomes effective, except for
4389 changes that do not require approval of the interest holders of
4390 the surviving entity under its organic law or organic rules; or

4391 3. Any other terms or conditions of the plan if the change
4392 would adversely affect the member in any material respect.

4393 (3) After a plan of merger has been approved and before the
4394 articles of merger become effective, the plan may be abandoned
4395 as provided in the plan. Unless prohibited by the plan, a
4396 domestic merging limited liability company may abandon the plan
4397 in the same manner as the plan was approved.

4398 (4) If a plan of merger is abandoned after articles of
4399 merger have been delivered to the department for filing and
4400 before such articles of merger have become effective, a
4401 statement of abandonment, signed by a party to the plan, must be
4402 delivered to the department for filing before the articles of
4403 merger become effective. The statement of abandonment takes
4404 effect on filing, and the merger is abandoned and does not
4405 become effective. The statement of abandonment must contain the
4406 following:

4407 (a) The name of each party to the plan of merger.

4408 (b) The date on which the articles of merger were delivered

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4409 to the department for filing.

4410 (c) A statement that the merger has been abandoned in
4411 accordance with this section.

4412 605.1025 Articles of merger.-

4413 (1) After a plan of merger is approved, articles of merger
4414 must be signed by each merging entity and delivered to the
4415 department for filing.

4416 (2) The articles of merger must contain the following:

4417 (a) The name, jurisdiction of formation, and type of entity
4418 of each merging entity that is not the surviving entity.

4419 (b) The name, jurisdiction of formation, and type of entity
4420 of the surviving entity.

4421 (c) A statement that the merger was approved by each
4422 domestic merging entity that is a limited liability company, if
4423 any, in accordance with the provisions of ss. 605.1021-605.1026;
4424 by each other merging entity, if any, in accordance with the law
4425 of its jurisdiction of formation; and by each member of such
4426 limited liability company who, as a result of the merger, will
4427 have interest holder liability under s. 605.1023(1)(b) and whose
4428 approval is required.

4429 (d) If the surviving entity exists before the merger and is
4430 a domestic filing entity, any amendment to its public organic
4431 record approved as part of the plan of merger.

4432 (e) If the surviving entity is created by the merger and is
4433 a domestic filing entity, its public organic record, as an
4434 attachment.

4435 (f) If the surviving entity is created by the merger and is
4436 a domestic limited liability partnership or domestic limited
4437 liability limited partnership, its statement of qualification,

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4438 as an attachment.

4439 (g) If the surviving entity is a foreign entity that does
4440 not have a certificate of authority to transact business in this
4441 state, a mailing address to which the department may send any
4442 process served on the department pursuant to s. 605.0117 and
4443 chapter 48.

4444 (h) A statement that the surviving entity has agreed to pay
4445 to any members of any limited liability company with appraisal
4446 rights the amount to which such members are entitled under the
4447 provisions of s. 605.1006 and ss. 605.1061-605.1072.

4448 (i) The effective date of the merger if the effective date
4449 of the merger is not the same as the date of filing of the
4450 articles of merger, subject to the limitations contained in s.
4451 605.0207.

4452 (3) In addition to the requirements of subsection (2),
4453 articles of merger may contain any other provision not
4454 prohibited by law.

4455 (4) A merger becomes effective when the articles of merger
4456 become effective, unless the articles of merger specify an
4457 effective time or a delayed effective date that complies with s.
4458 605.0207.

4459 (5) A copy of the articles of merger, certified by the
4460 department, may be filed in the official records of any county
4461 in this state in which any party to the merger holds an interest
4462 in real property.

4463 (6) A limited liability company is not required to deliver
4464 articles of merger for filing pursuant to subsection (1) if the
4465 limited liability company is named as a merging entity or
4466 surviving entity in articles of merger or a certificate of

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4467 merger filed for the same merger in accordance with s. 607.1109,
4468 s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and if such
4469 articles of merger or certificate of merger substantially comply
4470 with the requirements of this section. In such a case, the other
4471 articles of merger or certificate of merger may also be used for
4472 purposes of subsection (5).

4473 605.1026 Effect of merger.

4474 (1) When a merger becomes effective:

4475 (a) The surviving entity continues in existence;

4476 (b) Each merging entity that is not the surviving entity
4477 ceases to exist;

4478 (c) All property of each merging entity vests in the
4479 surviving entity without transfer, reversion or impairment;

4480 (d) All debts, obligations, and other liabilities of each
4481 merging entity are debts, obligations, and other liabilities of
4482 the surviving entity;

4483 (e) Except as otherwise provided by law or the plan of
4484 merger, all the rights, privileges, immunities, powers, and
4485 purposes of each merging entity vest in the surviving entity;

4486 (f) If the surviving entity exists before the merger:

4487 1. All its property continues to be vested in it without
4488 transfer, reversion, or impairment;

4489 2. It remains subject to all of its debts, obligations, and
4490 other liabilities; and

4491 3. All of its rights, privileges, immunities, powers, and
4492 purposes continue to be vested in it;

4493 (g) The name of the surviving entity may be substituted for
4494 the name of any merging entity that is a party to any pending
4495 action or proceeding;

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- 4496 (h) If the surviving entity exists before the merger:
4497 1. Its public organic record, if any, is amended as
4498 provided in the articles of merger; and
4499 2. Its private organic rules that are to be in a record, if
4500 any, are amended to the extent provided in the plan of merger;
4501 (i) If the surviving entity is created by the merger:
4502 1. Its public organic record, if any, is effective; and
4503 2. Its private organic rules are effective; and
4504 (j) The interests or rights to acquire interests in each
4505 merging entity which are to be converted in the merger are
4506 converted, and the interest holders of those interests are
4507 entitled only to the rights provided to them under the plan of
4508 merger and to any appraisal rights they have under s. 605.1006
4509 and ss. 605.1061-605.1072 and the merging entity's organic law.
4510 (2) Except as otherwise provided in the organic law or
4511 organic rules of a merging entity:
4512 (a) The merger does not give rise to any rights that an
4513 interest holder, governor, or third party would have upon a
4514 dissolution, liquidation, or winding up of the merging entity;
4515 and
4516 (b) The merging entity is not required to wind up its
4517 affairs, pay its liabilities, and distribute its assets under
4518 ss. 605.0701-605.0717, and the merger shall not constitute a
4519 dissolution of the merging entity.
4520 (3) When a merger becomes effective, a person who did not
4521 have interest holder liability with respect to any of the
4522 merging entities and becomes subject to interest holder
4523 liability with respect to a domestic entity as a result of the
4524 merger will have interest holder liability only to the extent

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4525 provided by the organic law of that entity and only for those
4526 debts, obligations, and other liabilities that arise after the
4527 merger becomes effective.

4528 (4) When a merger becomes effective, the interest holder
4529 liability of a person who ceases to hold an interest in a
4530 domestic merging entity with respect to which the person had
4531 interest holder liability is as follows:

4532 (a) The merger does not discharge an interest holder
4533 liability under the organic law of the domestic merging entity
4534 to the extent the interest holder liability arose before the
4535 merger became effective.

4536 (b) The person does not have interest holder liability
4537 under the organic law of the domestic merging entity for a debt,
4538 obligation, or other liability that arises after the merger
4539 becomes effective.

4540 (c) The organic law of the domestic merging entity and any
4541 rights of contribution provided under such law, or the organic
4542 rules of the domestic merging entity, continue to apply to the
4543 release, collection, or discharge of any interest holder
4544 liability preserved under paragraph (a) as if the merger had not
4545 occurred and the surviving entity were the domestic merging
4546 entity.

4547 (5) When a merger becomes effective, a foreign entity that
4548 is the surviving entity may be served with process in this state
4549 for the collection and enforcement of any debts, obligations, or
4550 other liabilities of a domestic merging entity as provided in s.
4551 605.0117 and chapter 48.

4552 (6) When a merger becomes effective, the certificate of
4553 authority to transact business in this state of any foreign

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4554 merging entity that is not the surviving entity is canceled.

4555 605.1031 Interest exchange authorized.—

4556 (1) By complying with the provisions of ss. 605.1031-
4557 605.1036:

4558 (a) A domestic limited liability company may acquire all of
4559 one or more classes or series of interests of another domestic
4560 or foreign entity, or rights to acquire one or more classes or
4561 series of any such interests, in exchange for interests,
4562 securities, obligations, money, other property, rights to
4563 acquire interests or securities, or any combination of the
4564 foregoing; or

4565 (b) All of one or more classes or series of interests of a
4566 domestic limited liability company or rights to acquire one or
4567 more classes or series of any such interests may be acquired by
4568 another domestic or foreign entity in exchange for interests,
4569 securities, obligations, money, other property, rights to
4570 acquire interests or securities, or any combination of the
4571 foregoing.

4572 (2) By complying with the provisions of ss. 605.1031-
4573 605.1036 which are applicable to foreign entities, a foreign
4574 entity may be the acquiring or acquired entity in an interest
4575 exchange completed under the provisions of ss. 605.1031-605.1036
4576 if the interest exchange is authorized by the organic law in the
4577 foreign entity's jurisdiction of formation.

4578 (3) If a protected agreement contains a provision that
4579 applies to a merger of a domestic limited liability company but
4580 does not refer to an interest exchange, the provision applies to
4581 an interest exchange in which the domestic limited liability
4582 company is the acquired entity as if the interest exchange were

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4583 a merger until the provision is amended after January 1, 2014.

4584 605.1032 Plan of interest exchange.—

4585 (1) A domestic limited liability company may be the
4586 acquired entity in an interest exchange under the provisions of
4587 ss. 605.1031-605.1036 by approving a plan of interest exchange.
4588 The plan must be in a record and contain the following:

4589 (a) The name of the acquired entity.

4590 (b) The name, jurisdiction of formation, and type of entity
4591 of the acquiring entity.

4592 (c) The manner and basis of converting the interests and
4593 the rights to acquire interests of the members of each limited
4594 liability company that is to be an acquired entity into
4595 interests, securities, obligations, money, other property,
4596 rights to acquire interests or securities, or any combination of
4597 the foregoing.

4598 (d) If the acquired entity is a domestic limited liability
4599 company, any proposed amendments to or restatements of its
4600 public organic record or any amendments to or restatements of
4601 its private organic rules that are or are proposed to be in a
4602 record and all such amendments or restatements are effective at
4603 the effective date of the interest exchange.

4604 (e) The other terms and conditions of the interest
4605 exchange.

4606 (f) Any other provision required by the law of an acquired
4607 entity's jurisdiction of formation, the organic rules of the
4608 acquired entity, the organic rules of an acquiring entity, or
4609 the law of the jurisdiction of formation of the acquiring
4610 entity.

4611 (2) In addition to the requirements of subsection (1), a

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4612 plan of interest exchange may contain any other provision not
4613 prohibited by law.

4614 605.1033 Approval of interest exchange.—

4615 (1) A plan of interest exchange is not effective unless it
4616 has been approved:

4617 (a) With respect to a domestic limited liability company
4618 that is the acquired entity in the interest exchange, by a
4619 majority-in-interest of the members of such company; and

4620 (b) In a record, by each member of the domestic acquired
4621 limited liability company that will have interest holder
4622 liability for debts, obligations, and other liabilities that
4623 arise after the interest exchange becomes effective, unless:

4624 1. The organic rules of the company in a record provide for
4625 the approval of an interest exchange or a merger in which some
4626 or all of its members become subject to interest holder
4627 liability by the vote or consent of fewer than all the members;
4628 and

4629 2. The member consented in a record to or voted for that
4630 provision of the organic rules or became a member after the
4631 adoption of that provision.

4632 (2) An interest exchange involving a domestic acquired
4633 entity that is not a limited liability company is not effective
4634 unless it is approved by the domestic entity in accordance with
4635 its organic law.

4636 (3) An interest exchange involving a foreign acquired
4637 entity is not effective unless it is approved by the foreign
4638 entity in accordance with the law of the foreign entity's
4639 jurisdiction of formation.

4640 (4) Except as otherwise provided in its organic law or

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4641 organic rules, the interest holders of the acquiring entity are
4642 not required to approve the interest exchange.

4643 (5) All members of each domestic limited liability company
4644 that is a party to the interest exchange and who have a right to
4645 vote upon the interest exchange must be given written notice of
4646 any meeting with respect to the approval of a plan of interest
4647 exchange as provided in subsection (1) not less than 10 days and
4648 not more than 60 days before the date of the meeting at which
4649 the plan of interest exchange is submitted for approval by the
4650 members of such limited liability company. The notification
4651 required under this subsection may be waived in writing by the
4652 person entitled to such notification.

4653 (6) The notification required under subsection (5) must be
4654 in writing and must include the following:

4655 (a) The date, time, and place of the meeting at which the
4656 plan of interest exchange is to be submitted for approval by the
4657 members of the limited liability company.

4658 (b) A copy of the plan of interest exchange.

4659 (c) The statement or statements required under s. 605.1006
4660 and ss. 605.1061-605.1072 regarding the availability of
4661 appraisal rights, if any, to members of the limited liability
4662 company.

4663 (d) The date on which such notification was mailed or
4664 delivered to the members.

4665 (7) In addition to the requirements of subsection (6), the
4666 notification required under subsection (5) may contain any other
4667 information concerning the plan of interest exchange not
4668 prohibited by applicable law.

4669 (8) The notification required under subsection (5) is

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4670 deemed to be given at the earliest date of:

4671 (a) The date the notification is received;

4672 (b) Five days after the date such notification is deposited
4673 in the United States mail addressed to the member at the
4674 member's address as it appears in the books and records of the
4675 limited liability company, with prepaid postage affixed;

4676 (c) The date shown on the return receipt, if sent by
4677 registered or certified mail, return receipt requested, and if
4678 the receipt is signed by or on behalf of the addressee; or

4679 (d) The date such notification is given in accordance with
4680 the provisions of the organic rules of the limited liability
4681 company.

4682 605.1034 Amendment or abandonment of plan of interest
4683 exchange.—

4684 (1) A plan of interest exchange may be amended only with
4685 the consent of each party to the plan, except as otherwise
4686 provided in the plan or in the organic rules of each such
4687 entity.

4688 (2) A domestic acquired limited liability company may
4689 approve an amendment of a plan of interest exchange:

4690 (a) In the same manner as the plan was approved, if the
4691 plan does not provide for the manner in which it may be amended;
4692 or

4693 (b) By the managers or members in the manner provided in
4694 the plan, but a member who was entitled to vote on or consent to
4695 approval of the interest exchange is entitled to vote on or
4696 consent to any amendment of the plan which will change:

4697 1. The amount or kind of interests, securities,
4698 obligations, money, other property, rights to acquire interests

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4699 or securities, or any combination of the foregoing, to be
4700 received by the interest holders of any party to the plan;

4701 2. The public organic record, if any, or private organic
4702 rules of the acquired entity which will be in effect immediately
4703 after the interest exchange becomes effective, except for
4704 changes that do not require approval of the interest holders of
4705 the acquired entity under its organic law or organic rules; or

4706 3. Any other terms or conditions of the plan, if the change
4707 would adversely affect the member in any material respect.

4708 (3) After a plan of interest exchange has been approved and
4709 before such articles of interest exchange become effective, the
4710 plan may be abandoned as provided in the plan. Unless prohibited
4711 by the plan, a domestic limited liability company may abandon
4712 the plan in the same manner as the plan was approved.

4713 (4) If a plan of interest exchange is abandoned after
4714 articles of interest exchange have been delivered to the
4715 department for filing and before such articles of interest
4716 exchange have become effective, a statement of abandonment,
4717 signed by a party to the plan, must be delivered to the
4718 department for filing before the articles of interest exchange
4719 become effective. The statement of abandonment takes effect on
4720 filing, and the interest exchange is abandoned and does not
4721 become effective. The statement of abandonment must contain the
4722 following:

4723 (a) The name of each party to the plan of interest
4724 exchange.

4725 (b) The date on which the articles of interest exchange
4726 were delivered to the department for filing.

4727 (c) A statement that the interest exchange has been

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4728 abandoned in accordance with this section.

4729 605.1035 Articles of interest exchange.—

4730 (1) After a plan of interest exchange has been approved,
4731 articles of interest exchange must be signed by each party to
4732 the interest exchange and delivered to the department for
4733 filing.

4734 (2) The articles of interest exchange must contain the
4735 following:

4736 (a) The name of the acquired limited liability company.

4737 (b) The name, jurisdiction of formation, and type of entity
4738 of the acquiring entity.

4739 (c) A statement that the plan of interest exchange was
4740 approved by the acquired limited liability entity in accordance
4741 with the provisions of ss. 605.1031-605.1036 and by each member
4742 of such limited liability company who, as a result of the
4743 interest exchange, will have interest holder liability under s.
4744 605.1033(1)(b) and whose approval is required.

4745 (d) Any amendments to the acquired limited liability
4746 company's public organic record approved as part of the plan of
4747 interest exchange.

4748 (e) A statement that the plan of interest exchange was
4749 approved by each acquiring entity that is a party to the
4750 interest exchange in accordance with the organic laws in its
4751 jurisdiction of formation, or if such approval was not required,
4752 a statement to that effect.

4753 (f) A statement that the acquiring entity has agreed to pay
4754 to any members of the acquired entity with appraisal rights the
4755 amount to which such members are entitled under s. 605.1006 and
4756 ss. 605.1061-605.1072.

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4757 (g) The effective date of the interest exchange, if the
4758 effective date of the interest exchange is not the same as the
4759 date of filing of the articles of interest exchange, subject to
4760 the limitations in s. 605.0207.

4761 (3) In addition to the requirements of subsection (2),
4762 articles of interest exchange may include any other provision
4763 not prohibited by law.

4764 (4) An interest exchange becomes effective when the
4765 articles of interest exchange become effective, unless the
4766 articles of interest exchange specify an effective time or a
4767 delayed effective date that complies with s. 605.0207.

4768 (5) A limited liability company is not required to deliver
4769 articles of interest exchange for filing pursuant to subsection
4770 (1) if the domestic limited liability company is named as an
4771 acquired entity or as an acquiring entity in the articles of
4772 share exchange filed for the same interest exchange in
4773 accordance with s. 607.1105(1) and if such articles of share
4774 exchange substantially comply with the requirements of this
4775 section.

4776 605.1036 Effect of interest exchange.-

4777 (1) When an interest exchange in which the acquired entity
4778 is a domestic limited liability company becomes effective:

4779 (a) The interests in a domestic company which are the
4780 subject of the interest exchange cease to exist or are converted
4781 or exchanged, and the members holding those interests are
4782 entitled only to the rights provided to them under the plan of
4783 interest exchange and to any appraisal rights they have under s.
4784 605.1006 and ss. 605.1061-605.1072;

4785 (b) The acquiring entity becomes the interest holder of the

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4786 interests in the acquired entity stated in the plan of interest
4787 exchange to be acquired by the acquiring entity;

4788 (c) The public organic record of the acquired entity is
4789 amended as provided in the articles of interest exchange; and

4790 (d) The provisions of the private organic rules of the
4791 acquired entity that are to be in a record, if any, are amended
4792 to the extent provided in the plan of interest exchange.

4793 (2) Except as otherwise provided in the organic rules of
4794 the acquired limited liability company, the interest exchange
4795 does not give rise to any rights that a member, manager, or
4796 third party would have upon a dissolution, liquidation, or
4797 winding up of the acquired entity.

4798 (3) When an interest exchange becomes effective, a person
4799 who did not have interest holder liability with respect to a
4800 domestic acquired limited liability company and who becomes
4801 subject to interest holder liability with respect to a domestic
4802 entity as a result of the interest exchange will have interest
4803 holder liability only to the extent provided by the organic law
4804 of the entity and only for those debts, obligations, and other
4805 liabilities that arise after the interest exchange becomes
4806 effective.

4807 (4) When an interest exchange becomes effective, the
4808 interest holder liability of a person who ceases to hold an
4809 interest in a domestic acquired limited liability company with
4810 respect to which the person had interest holder liability is as
4811 follows:

4812 (a) The interest exchange does not discharge any interest
4813 holder liability to the extent the interest holder liability
4814 arose before the interest exchange became effective.

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4815 (b) The person does not have interest holder liability for
4816 any debt, obligation, or other liability that arises after the
4817 interest exchange becomes effective.

4818 (c) The organic law of the acquired entity's jurisdiction
4819 of formation and any rights of contribution provided by such
4820 law, or under the organic rules of the acquired entity, continue
4821 to apply to the release, collection, or discharge of any
4822 interest holder liability preserved under paragraph (a) as if
4823 the interest exchange had not occurred.

4824 605.1041 Conversion authorized.—

4825 (1) By complying with the provisions of ss. 605.1041-
4826 605.1046, a domestic limited liability company may become:

4827 (a) A domestic entity that is a different type of entity;
4828 or

4829 (b) A foreign entity that is a limited liability company or
4830 a different type of entity, if the conversion is authorized by
4831 the law of the foreign entity's jurisdiction of formation.

4832 (2) By complying with the provisions of ss. 605.1041-
4833 605.1046, which are applicable to a domestic entity that is not
4834 a domestic limited liability company, the domestic entity may
4835 become a domestic limited liability company if the conversion is
4836 authorized by the law governing the domestic entity.

4837 (3) By complying with the provisions of ss. 605.1041-
4838 608.1046 which are applicable to foreign entities, a foreign
4839 entity may become a domestic limited liability company if the
4840 conversion is authorized by the law of the foreign entity's
4841 jurisdiction of formation.

4842 (4) If a protected agreement contains a provision that
4843 applies to a merger of a domestic limited liability company but

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4844 does not refer to a conversion, the provision applies to a
4845 conversion of the entity as if the conversion were a merger
4846 until the provision is amended after January 1, 2014.

4847 605.1042 Plan of conversion.—

4848 (1) A domestic limited liability company may convert into a
4849 different type of domestic entity or into a foreign entity that
4850 is a foreign limited liability company or a different type of
4851 foreign entity by approving a plan of conversion. The plan must
4852 be in a record and contain the following:

4853 (a) The name of the converting limited liability company.

4854 (b) The name, jurisdiction of formation, and type of entity
4855 of the converted entity.

4856 (c) The manner and basis of converting the interests and
4857 rights to acquire interests in the converting limited liability
4858 company into interests, securities, obligations, money, other
4859 property, rights to acquire interests or securities, or any
4860 combination of the foregoing.

4861 (d) The proposed public organic record of the converted
4862 entity, if it will be a filing entity.

4863 (e) The full text of the private organic rules of the
4864 converted entity which are proposed to be in a record, if any.

4865 (f) Any other provision required by the law of this state
4866 or the organic rules of the converted limited liability company,
4867 if the entity is to be an entity other than a domestic limited
4868 liability company.

4869 (g) All other statements required to be set forth in a plan
4870 of conversion by the law of the jurisdiction of formation of the
4871 converted entity following the conversion.

4872 (2) In addition to the requirements of subsection (1), a

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4873 plan of conversion may contain any other provision not
4874 prohibited by law.

4875 605.1043 Approval of conversion.-

4876 (1) A plan of conversion is not effective unless it has
4877 been approved:

4878 (a) If the converting entity is a domestic limited
4879 liability company, by a majority-in-interest of the members of
4880 such company who have a right to vote upon the conversion; and

4881 (b) In a record, by each member of a converting limited
4882 liability company which will have interest holder liability for
4883 debts, obligations, and other liabilities that arise after the
4884 conversion becomes effective, unless:

4885 1. The organic rules of the company in a record provide for
4886 the approval of a conversion in which some or all of its members
4887 become subject to interest holder liability by the vote or
4888 consent of less than all of the members; and

4889 2. The member consented in a record to or voted for that
4890 provision of the organic rules or became a member after the
4891 adoption of that provision.

4892 (2) A conversion involving a domestic converting entity
4893 that is not a limited liability company is not effective unless
4894 it is approved by the domestic converting entity in accordance
4895 with its organic law.

4896 (3) A conversion of a foreign converting entity is not
4897 effective unless it is approved by the foreign entity in
4898 accordance with the law of the foreign entity's jurisdiction of
4899 formation.

4900 (4) If the converting entity is a domestic limited
4901 liability company, all members of the company who have the right

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4902 to vote upon the conversion must be given written notice of a
4903 meeting with respect to the approval of a plan of conversion as
4904 provided in subsection (1) not less than 10 days and not more
4905 than 60 days before the date of the meeting at which the plan of
4906 conversion is submitted for approval by the members of such
4907 limited liability company. The notification required under this
4908 subsection may be waived in writing by the person or persons
4909 entitled to such notification.

4910 (5) The notification required under subsection (4) must be
4911 in writing and include the following:

4912 (a) The date, time, and place of the meeting at which the
4913 plan of conversion is to be submitted for approval by the
4914 members of the limited liability company.

4915 (b) A copy of the plan of conversion.

4916 (c) The statement or statements required under s. 605.1006
4917 and ss. 605.1061-605.1072 regarding the availability of
4918 appraisal rights, if any, to members of the limited liability
4919 company.

4920 (d) The date on which such notification was mailed or
4921 delivered to the members.

4922 (6) In addition to the requirements of subsection (5), the
4923 notification required under subsection (4) may contain any other
4924 information concerning the plan of conversion not prohibited by
4925 applicable law.

4926 (7) The notification required under subsection (4) is
4927 deemed to be given at the earliest date of:

4928 (a) The date the notification is received;

4929 (b) Five days after the date the notification is deposited
4930 in the United States mail addressed to the member at the

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4931 member's address as it appears in the books and records of the
4932 limited liability company, with prepaid postage affixed;

4933 (c) The date shown on the return receipt, if sent by
4934 registered or certified mail, return receipt requested, and if
4935 the receipt is signed by or on behalf of the addressee; or

4936 (d) The date the notification is given in accordance with
4937 the organic rules of the limited liability company.

4938 605.1044 Amendment or abandonment of plan of conversion.-

4939 (1) A plan of conversion of a domestic converting limited
4940 liability company may be amended:

4941 (a) In the same manner as the plan was approved, if the
4942 plan does not provide for the manner in which it may be amended;
4943 or

4944 (b) By the managers or members of the entity in the manner
4945 provided in the plan, but a member who was entitled to vote on
4946 or consent to approval of the conversion is entitled to vote on
4947 or consent to an amendment of the plan which will change:

4948 1. The amount or kind of interests, securities,
4949 obligations, money, other property, rights to acquire interests
4950 or securities, or any combination of the foregoing, to be
4951 received by the interest holders of the converting entity under
4952 the plan;

4953 2. The public organic record, if any, or private organic
4954 rules of the converted entity which will be in effect
4955 immediately after the conversion becomes effective, except for
4956 changes that do not require approval of the interest holders of
4957 the converting entity under its organic law or organic rules; or

4958 3. Any other terms or conditions of the plan, if the change
4959 would adversely affect the interest holder in any material

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4960 respect.

4961 (2) After a plan of conversion has been approved and before
4962 the articles of conversion become effective, the plan may be
4963 abandoned as provided in the plan. Unless prohibited by the
4964 plan, a domestic converting limited liability company may
4965 abandon the plan in the same manner as the plan was approved.

4966 (3) If a plan of conversion is abandoned after articles of
4967 conversion have been delivered to the department for filing and
4968 before such articles of conversion have become effective, a
4969 statement of abandonment, signed by the converting entity, must
4970 be delivered to the department for filing before the articles of
4971 conversion become effective. The statement of abandonment takes
4972 effect on filing, and the conversion is abandoned and does not
4973 become effective. The statement of abandonment must contain the
4974 following:

4975 (a) The name of the converting limited liability company.

4976 (b) The date on which the articles of conversion were
4977 delivered to the department for filing.

4978 (c) A statement that the conversion has been abandoned in
4979 accordance with this section.

4980 605.1045 Articles of conversion.-

4981 (1) After a plan of conversion is approved, articles of
4982 conversion signed by the converting entity must be delivered to
4983 the department for filing.

4984 (2) The articles of conversion must contain the following:

4985 (a) The name, jurisdiction of formation, and type of entity
4986 of the converting entity.

4987 (b) The name, jurisdiction of formation, and type of entity
4988 of the converted entity.

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4989 (c) If the converting entity is a domestic limited
4990 liability company, a statement that the plan of conversion has
4991 been approved in accordance with ss. 605.1041-605.1046, or if
4992 the converting entity is a foreign entity, a statement that the
4993 conversion was approved by the foreign converting entity in
4994 accordance with the law of its jurisdiction of formation and by
4995 each member of the converting entity who as a result of the
4996 conversion will have interest holder liability under s.
4997 605.1043(1)(b) and whose approval is required.

4998 (d) If the converted entity is a domestic filing entity,
4999 the text of its public organic record, as an attachment.

5000 (e) If the converted entity is a domestic limited liability
5001 partnership, the text of its statement of qualification, as an
5002 attachment.

5003 (f) If the converted entity is a foreign entity that does
5004 not have a certificate of authority to transact business in this
5005 state, a mailing address to which the department may send any
5006 process served on the department pursuant to s. 605.0117 and
5007 chapter 48.

5008 (g) A statement that the converted entity has agreed to pay
5009 to the members of any limited liability company with appraisal
5010 rights the amount to which such members are entitled under s.
5011 605.1006 and ss. 605.1061-605.1072.

5012 (h) The effective date of the conversion, if the effective
5013 date of the conversion is not the same as the date of filing of
5014 the articles of conversion, subject to the limitations contained
5015 in s. 605.0207.

5016 (2) In addition to the requirements of subsection (1),
5017 articles of conversion may contain any other provision not

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5018 prohibited by law.

5019 (3) A conversion becomes effective when the articles of
5020 conversion become effective, unless the articles of conversion
5021 specify an effective time or a delayed effective date that
5022 complies with s. 605.0207.

5023 (4) A copy of the articles of conversion, certified by the
5024 department, may be filed in the official records of any county
5025 in this state in which the converted entity holds an interest in
5026 real property.

5027 605.1046 Effect of conversion.—

5028 (1) When a conversion in which the converted entity is a
5029 domestic limited liability company becomes effective:

5030 (a) The converted entity is:

5031 1. Organized under and subject to this chapter; and
5032 2. The same entity, without interruption, as the converting
5033 entity.

5034 (b) All property of the converting entity continues to be
5035 vested in the converted entity without transfer, reversion, or
5036 impairment;

5037 (c) All debts, obligations, and other liabilities of the
5038 converting entity continue as debts, obligations, and other
5039 liabilities of the converted entity;

5040 (d) Except as otherwise provided by law or the plan of
5041 conversion, all the rights, privileges, immunities, powers, and
5042 purposes of the converting entity remain in the converted
5043 entity;

5044 (e) The name of the converted entity may be substituted for
5045 the name of the converting entity in any pending action or
5046 proceeding;

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5047 (f) The provisions of the organic rules of the converted
5048 entity which are to be in a record, if any, approved as part of
5049 the plan of conversion are effective; and

5050 (g) The interests or rights to acquire interests in the
5051 converting entity are converted, and the interest holders of the
5052 converting entity are entitled only to the rights provided to
5053 them under the plan of conversion and to any appraisal rights
5054 they have under s. 605.1006 and ss. 605.1061-605.1072 and the
5055 converting entity's organic law.

5056 (2) Except as otherwise provided in the private organic
5057 rules of a domestic converting limited liability company, the
5058 conversion does not give rise to any rights that a member,
5059 manager, or third party would otherwise have upon a dissolution,
5060 liquidation, or winding up of the converting entity.

5061 (3) When a conversion becomes effective, a person who did
5062 not have interest holder liability with respect to the
5063 converting entity and becomes subject to interest holder
5064 liability with respect to a domestic entity as a result of the
5065 conversion has interest holder liability only to the extent
5066 provided by the organic law of the entity and only for those
5067 debts, obligations, and other liabilities that arise after the
5068 conversion becomes effective.

5069 (4) When a conversion becomes effective, the interest
5070 holder liability of a person who ceases to hold an interest in a
5071 domestic limited liability company with respect to which the
5072 person had interest holder liability is as follows:

5073 (a) The conversion does not discharge interest holder
5074 liability to the extent the interest holder liability arose
5075 before the conversion became effective.

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5076 (b) The person does not have interest holder liability for
5077 any debt, obligation, or other liability that arises after the
5078 conversion becomes effective.

5079 (c) The organic law of the jurisdiction of formation of the
5080 converting limited liability company and the rights of
5081 contribution provided under such law, or the organic rules of
5082 the converting limited liability company, continue to apply to
5083 the release, collection, or discharge of any interest holder
5084 liability preserved under paragraph (a) as if the conversion had
5085 not occurred.

5086 (5) When a conversion becomes effective, a foreign entity
5087 that is the converted entity may be served with process in this
5088 state for the collection and enforcement of its debts,
5089 obligations, and liabilities as provided in s. 605.0117 and
5090 chapter 48.

5091 (6) If the converting entity is a registered foreign
5092 entity, the certificate of authority to conduct business in this
5093 state of the converting entity is canceled when the conversion
5094 becomes effective.

5095 (7) A conversion does not require the entity to wind up its
5096 affairs and does not constitute or cause the dissolution of the
5097 entity.

5098 605.1051 Domestication authorized.—By complying with ss.
5099 605.1051-605.1056, a non-United States entity may become a
5100 domestic limited liability company if the domestication is
5101 authorized under the organic law of the non-United States
5102 entity's jurisdiction of formation.

5103 605.1052 Plan of domestication.—

5104 (1) A non-United States entity may become a domestic

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5105 limited liability company by approving a plan of domestication.
5106 The plan of domestication must be in a record and contain the
5107 following:

5108 (a) The name and jurisdiction of formation of the
5109 domesticating entity.

5110 (b) If applicable, the manner and basis of converting the
5111 interests and rights to acquire interests in the domesticating
5112 entity into interests, securities, obligations, money, other
5113 property, rights to acquire interests or securities, or any
5114 combination of the foregoing.

5115 (c) The proposed public organic record of the domesticating
5116 entity in this state.

5117 (d) The full text of the proposed private organic rules of
5118 the domesticated entity that are to be in a record, if any.

5119 (e) Any other provision required by the law of the
5120 jurisdiction of formation of the domesticating entity or the
5121 organic rules of the domesticating entity.

5122 (2) In addition to the requirements of subsection (1), a
5123 plan of domestication may contain any other provision not
5124 prohibited by law.

5125 605.1053 Approval of domestication.—A plan of domestication
5126 of a domesticating entity shall be approved:

5127 (1) In accordance with the organic law of the domesticating
5128 entity's jurisdiction of formation; and

5129 (2) In a record, by each of the domesticating entity's
5130 owners who will have interest holder liability for debts,
5131 obligations, and other liabilities that arise after the
5132 domestication becomes effective, unless:

5133 (a) The organic rules of the domesticating entity in a

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5134 record provide for the approval of a domestication in which some
5135 or all of the persons who are its owners become subject to
5136 interest holder liability by the vote or consent of fewer than
5137 all of the persons who are its owners; and

5138 (b) The person who will be a member of the domesticated
5139 limited liability company consented in a record to or voted for
5140 that provision of the organic rules of the domesticating entity
5141 or became an owner of the domesticating entity after the
5142 adoption of that provision.

5143 605.1054 Amendment or abandonment of plan of
5144 domestication.-

5145 (1) A plan of domestication of a domesticating entity may
5146 be amended:

5147 (a) In the same manner as the plan was approved if the plan
5148 does not provide for the manner in which it may be amended; or

5149 (b) By the interest holders of the domesticating entity in
5150 the manner provided in the plan, but an owner who was entitled
5151 to vote on or consent to approval of the domestication is
5152 entitled to vote on or consent to any amendment of the plan that
5153 will change:

5154 1. If applicable, the amount or kind of interests,
5155 securities, obligations, money, other property, rights to
5156 acquire interests or securities, or any combination of the
5157 foregoing, to be received by the interest holders of the
5158 domesticating entity under the plan;

5159 2. The public organic record, if any, or private organic
5160 rules of the domesticated limited liability company which will
5161 be in effect immediately after the domestication becomes
5162 effective except for changes that do not require approval of the

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5163 interest holders of the domesticating entity under its organic
5164 law or organic rules; or

5165 3. Any other terms or conditions of the plan, if the change
5166 would adversely affect the interest holder in any material
5167 respect.

5168 (2) After a plan of domestication has been approved and
5169 before the articles of domestication become effective, the plan
5170 may be abandoned as provided in the plan. Unless prohibited by
5171 the plan, the domesticating entity may abandon the plan in the
5172 same manner as the plan was approved.

5173 (3) If a plan of domestication is abandoned after articles
5174 of domestication have been delivered to the department for
5175 filing and before such articles of domestication have become
5176 effective, a statement of abandonment, signed by the
5177 domesticating entity, must be delivered to the department for
5178 filing before the articles of domestication become effective.
5179 The statement of abandonment takes effect on filing, and the
5180 domestication is abandoned and does not become effective. The
5181 statement of abandonment must contain the following:

5182 (a) The name of the domesticating entity.

5183 (b) The date on which the articles of domestication were
5184 delivered to the department for filing.

5185 (c) A statement that the domestication has been abandoned
5186 in accordance with this section.

5187 605.1055 Articles of domestication.—

5188 (1) The articles of domestication must be filed with the
5189 department. The articles of domestication must contain the
5190 following:

5191 (a) The date on which the domesticating entity was first

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5192 formed, incorporated, created, or otherwise came into being.

5193 (b) The name of the domesticating entity immediately before
5194 the filing of the articles of domestication.

5195 (c) The articles of organization of the domesticated
5196 limited liability company, as an attachment.

5197 (d) The effective date of the domestication as a limited
5198 liability company, if the effective date of the domestication is
5199 not the same as the date of filing of the articles of
5200 domestication, subject to the limitations contained in s.
5201 605.0207.

5202 (e) The jurisdiction that constituted the seat, siege
5203 social, or principal place of business or central administration
5204 of the domesticating entity, or any other equivalent thereto
5205 under the law of the jurisdiction of formation, immediately
5206 before the filing of the articles of domestication.

5207 (f) A statement that the domestication has been approved in
5208 accordance with the laws of the jurisdiction of formation of the
5209 domesticating entity.

5210 (2) In addition to the requirements of subsection (1),
5211 articles of domestication may contain any other provision not
5212 prohibited by law.

5213 (3) The articles of domestication which are filed with the
5214 department must be accompanied by a certificate of status or
5215 equivalent document, if any, from the domesticating entity's
5216 jurisdiction of formation.

5217 (4) The articles of domestication and the articles of
5218 organization of a domesticated limited liability company must
5219 satisfy the requirements of the law of this state, and may be
5220 executed by an authorized representative and registered agent in

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5221 accordance with this chapter.

5222 605.1056 Effect of domestication.—

5223 (1) When a domestication becomes effective:

5224 (a) The domesticated limited liability company is:

5225 1. Organized under and subject to the organic law of this
5226 state; and

5227 2. The same entity, without interruption, as the
5228 domesticating entity;

5229 (b) All property of the domesticating entity continues to
5230 be vested in the domesticated limited liability company without
5231 transfer, reversion, or impairment;

5232 (c) All debts, obligations, and other liabilities of the
5233 domesticating entity continue as debts, obligations, and other
5234 liabilities of the domesticated limited liability company;

5235 (d) Except as otherwise provided by law or the plan of
5236 domestication, all the rights, privileges, immunities, powers,
5237 and purposes of the domesticating entity remain in the
5238 domesticated limited liability company;

5239 (e) The name of the domesticated limited liability company
5240 may be substituted for the name of the domesticating entity in
5241 any pending action or proceeding;

5242 (f) The articles of organization of the domesticated
5243 limited liability company are effective;

5244 (g) The provisions of the private organic rules of the
5245 domesticated limited liability company which are to be in a
5246 record, if any, approved as part of the plan of domestication
5247 are effective; and

5248 (h) The interests in the domesticating entity are converted
5249 to the extent and as approved in connection with the

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5250 domestication, and the interest holders of the domesticating
5251 entity are entitled only to the rights provided to them under
5252 the plan of domestication.

5253 (2) Except as otherwise provided in the organic law or
5254 organic rules of the domesticating entity, the domestication
5255 does not give rise to any rights that an interest holder or
5256 third party would otherwise have upon a dissolution,
5257 liquidation, or winding up of the domesticating entity.

5258 (3) When a domestication becomes effective, a person who
5259 did not have interest holder liability with respect to the
5260 domesticating entity and becomes subject to interest holder
5261 liability with respect to the domesticated limited liability
5262 company as a result of the domestication has interest holder
5263 liability only to the extent provided by the organic law of the
5264 domesticating entity and only for those debts, obligations, and
5265 other liabilities that arise after the domestication becomes
5266 effective.

5267 (4) When a domestication becomes effective, the interest
5268 holder liability of a person who ceases to hold an interest in a
5269 domestic limited liability company with respect to which the
5270 person had interest holder liability is as follows:

5271 (a) The domestication does not discharge any interest
5272 holder liability under this chapter to the extent the interest
5273 holder liability arose before the domestication became
5274 effective;

5275 (b) A person does not have interest holder liability under
5276 this chapter for any debt, obligation, or other liability that
5277 arises after the domestication becomes effective; and

5278 (c) The organic law of the jurisdiction of formation of the

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5279 domesticating entity and any rights of contribution provided
5280 under such law, or the organic rules of the domesticating
5281 entity, continue to apply to the release, collection, or
5282 discharge of any interest holder liability preserved under
5283 paragraph (a) as if the domestication had not occurred.

5284 (5) When a domestication becomes effective, a domesticating
5285 entity that has become the domesticated limited liability
5286 company may be served with process in this state for the
5287 collection and enforcement of its debts, obligations, and
5288 liabilities as provided in s. 605.0117 and chapter 48.

5289 (6) If the domesticating entity is qualified to transact
5290 business in this state, the certificate of authority of the
5291 domesticating entity is canceled when the domestication becomes
5292 effective.

5293 (7) A domestication does not require the domesticating
5294 entity to wind up its affairs and does not constitute or cause
5295 the dissolution of the domesticating entity.

5296 605.1061 Appraisal rights; definitions.—The following
5297 definitions apply to s. 605.1006 and to ss. 605.1061-605.1072:

5298 (1) "Accrued interest" means interest from the effective
5299 date of the appraisal event to which the member objects until
5300 the date of payment, at the rate of interest determined for
5301 judgments in accordance with s. 55.03, determined as of the
5302 effective date of the appraisal event.

5303 (2) "Affiliate" means a person who directly or indirectly,
5304 through one or more intermediaries, controls, is controlled by,
5305 or is under common control with another person or is a senior
5306 executive thereof. For purposes of s. 605.1006(4)(d), a person
5307 is deemed to be an affiliate of its senior executives.

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5308 (3) "Appraisal event" means an event described in s.
5309 605.1006(1).

5310 (4) "Beneficial member" means a person who is the
5311 beneficial owner of a membership interest held in a voting trust
5312 or by a nominee on the beneficial owner's behalf.

5313 (5) "Fair value" means the value of the member's membership
5314 interest determined:

5315 (a) Immediately before the effectuation of the appraisal
5316 event to which the member objects;

5317 (b) Using customary and current valuation concepts and
5318 techniques generally employed for similar businesses in the
5319 context of the transaction requiring appraisal, excluding any
5320 appreciation or depreciation in anticipation of the transaction
5321 to which the member objects, unless exclusion would be
5322 inequitable to the limited liability company and its remaining
5323 members; and

5324 (c) Without discounting for lack of marketability or
5325 minority status.

5326 (6) "Limited liability company" means the limited liability
5327 company that issued the membership interest held by a member
5328 demanding appraisal and, for matters covered in ss. 605.1061-
5329 605.1072, includes the converted entity in a conversion or the
5330 surviving entity in a merger.

5331 (7) "Member" means a record member or a beneficial member.

5332 (8) "Membership interest" means a member's transferable
5333 interest and all other rights as a member of the limited
5334 liability company that issued the membership interest, including
5335 voting rights, management rights, or other rights under this
5336 chapter or the organic rules of the limited liability company

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5337 except, if the appraisal rights of a member under s. 605.1006
5338 pertain to only a certain class or series of a membership
5339 interest, the term "membership interest" means only the
5340 membership interest pertaining to such class or series.

5341 (9) "Record member" means each person who is identified as
5342 a member in the current list of members maintained for purposes
5343 of s. 605.1006 by the limited liability company, or to the
5344 extent the limited liability company has failed to maintain a
5345 current list, each person who is the rightful owner of a
5346 membership interest in the limited liability company. A
5347 transferee of a membership interest who has not been admitted as
5348 a member is not a record member.

5349 (10) "Senior executive" means a manager in a manager-
5350 managed limited liability company; a member in a member-managed
5351 limited liability company; or the chief executive officer, chief
5352 operating officer, chief financial officer, or president or any
5353 other person in charge of a principal business unit or function
5354 of a limited liability company, in charge of a manager in a
5355 manager-managed limited liability company, or in charge of a
5356 member in a member-managed limited liability company.

5357 605.1062 Assertion of rights by nominees and beneficial
5358 owners.-

5359 (1) A record member may assert appraisal rights as to less
5360 than all the membership interests registered in the record
5361 member's name which are owned by a beneficial member only if the
5362 record member objects with respect to all membership interests
5363 of the class or series owned by that beneficial member and
5364 notifies the limited liability company in writing of the name
5365 and address of each beneficial member on whose behalf appraisal

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5366 rights are being asserted. The rights of a record member who
5367 asserts appraisal rights for only part of the membership
5368 interests of the class or series held of record in the record
5369 member's name under this subsection shall be determined as if
5370 the membership interests to which the record member objects and
5371 the record member's other membership interests were registered
5372 in the names of different record members.

5373 (2) A beneficial member may assert appraisal rights as to a
5374 membership interest held on behalf of the member only if such
5375 beneficial member:

5376 (a) Submits to the limited liability company the record
5377 member's written consent to the assertion of such rights by the
5378 date provided in s. 605.1063(3)(b); and

5379 (b) Does so with respect to all membership interests of the
5380 class or series that are beneficially owned by the beneficial
5381 member.

5382 605.1063 Notice of appraisal rights.-

5383 (1) If a proposed appraisal event is to be submitted to a
5384 vote at a members' meeting, the meeting notice must state that
5385 the limited liability company has concluded that the members
5386 are, are not, or may be entitled to assert appraisal rights
5387 under this chapter.

5388 (2) If the limited liability company concludes that
5389 appraisal rights are or may be available, a copy of s. 605.1006
5390 and ss. 605.1061-605.1072 must accompany the meeting notice sent
5391 to those record members who are or may be entitled to exercise
5392 appraisal rights.

5393 (3) If the appraisal event is to be approved other than by
5394 a members' meeting:

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5395 (a) Written notice that appraisal rights are, are not, or
5396 may be available must be sent to each member from whom a consent
5397 is solicited at the time consent of such member is first
5398 solicited, and if the limited liability company has concluded
5399 that appraisal rights are or may be available, a copy of s.
5400 605.1006 and ss. 605.1061-605.1072 must accompany such written
5401 notice; or

5402 (b) Written notice that appraisal rights are, are not, or
5403 may be available must be delivered, at least 10 days before the
5404 appraisal event becomes effective, to all nonconsenting and
5405 nonvoting members, and, if the limited liability company has
5406 concluded that appraisal rights are or may be available, a copy
5407 of s. 605.1006 and ss. 605.1061-605.1072 must accompany such
5408 written notice.

5409 (4) If a particular appraisal event is proposed and the
5410 limited liability company concludes that appraisal rights are or
5411 may be available, the notice referred to in subsection (1),
5412 paragraph (3) (a), or paragraph (3) (b) must be accompanied by:

5413 (a) Financial statements of the limited liability company
5414 that issued the membership interests that may be or are subject
5415 to appraisal rights, consisting of a balance sheet as of the end
5416 of the fiscal year ending not more than 16 months before the
5417 date of the notice, an income statement for that fiscal year,
5418 and a cash flow statement for that fiscal year; however, if such
5419 financial statements are not reasonably available, the limited
5420 liability company shall provide reasonably equivalent financial
5421 information; and

5422 (b) The latest available interim financial statements,
5423 including year-to-date through the end of the interim period, of

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5424 such limited liability company, if any.

5425 (5) The right to receive the information described in
5426 subsection (4) may be waived in writing by a member before or
5427 after the appraisal event.

5428 605.1064 Notice of intent to demand payment.-

5429 (1) If a proposed appraisal event is submitted to a vote at
5430 a members' meeting, a member who is entitled to and who wishes
5431 to assert appraisal rights with respect to a class or series of
5432 membership interests:

5433 (a) Must deliver, before the vote is taken, to any other
5434 member of a member-managed limited liability company, to a
5435 manager of a manager-managed limited liability company, or, if
5436 the limited liability company has appointed officers, to an
5437 officer written notice of such person's intent to demand payment
5438 if the proposed appraisal event is effectuated; and

5439 (b) May not vote, or cause or permit to be voted, any
5440 membership interests of the class or series in favor of the
5441 appraisal event.

5442 (2) If a proposed appraisal event is to be approved by less
5443 than unanimous written consent of the members, a member who is
5444 entitled to and who wishes to assert appraisal rights with
5445 respect to a class or series of membership interests must not
5446 sign a consent in favor of the proposed appraisal event with
5447 respect to that class or series of membership interests.

5448 (3) A person who may otherwise be entitled to appraisal
5449 rights, but does not satisfy the requirements of subsection (1)
5450 or subsection (2), is not entitled to payment under s. 605.1006
5451 and ss. 605.1061-605.1072.

5452 605.1065 Appraisal notice and form.-

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5453 (1) If the proposed appraisal event becomes effective, the
5454 limited liability company must send a written appraisal notice
5455 and form required by paragraph (2)(a) to all members who satisfy
5456 the requirements of s. 605.1064(1) or (2).

5457 (2) The appraisal notice must be sent no earlier than the
5458 date the appraisal event became effective and within 10 days
5459 after such date and must:

5460 (a) Supply a form that specifies the date that the
5461 appraisal event became effective and that provides for the
5462 member to state:

5463 1. The member's name and address;

5464 2. The number, classes, and series of membership interests
5465 as to which the member asserts appraisal rights;

5466 3. That the member did not vote for or execute a written
5467 consent with respect to the transaction as to any classes or
5468 series of membership interests as to which the member asserts
5469 appraisal rights;

5470 4. Whether the member accepts the limited liability
5471 company's offer as stated in subparagraph (2)(b)5.; and

5472 5. If the offer is not accepted, the member's estimated
5473 fair value of the membership interests and a demand for payment
5474 of the member's estimated value plus accrued interest.

5475 (b) State:

5476 1. Where the form described in paragraph (a) must be sent;

5477 2. A date by which the limited liability company must
5478 receive the form, which date may not be less than 40 days or
5479 more than 60 days after the date the appraisal notice and form
5480 described in this section are sent, and that the member is
5481 considered to have waived the right to demand appraisal with

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5482 respect to the membership interests unless the form is received
5483 by the limited liability company by such specified date;

5484 3. In the case of membership interests represented by a
5485 certificate, the location at which certificates for the
5486 certificated membership interests must be deposited, if that
5487 action is required by the limited liability company and the date
5488 by which those certificates must be deposited, which may not be
5489 earlier than the date for receiving the required form under
5490 subparagraph 2.;

5491 4. The limited liability company's estimate of the fair
5492 value of the membership interests;

5493 5. An offer to each member who is entitled to appraisal
5494 rights to pay the limited liability company's estimate of fair
5495 value provided in subparagraph 4.;

5496 6. That, if requested in writing, the limited liability
5497 company will provide to the member so requesting, within 10 days
5498 after the date specified in subparagraph 2., the number of
5499 members who return the forms by the specified date and the total
5500 number of membership interests owned by such members;

5501 7. The date by which the notice to withdraw under s.
5502 605.1066 must be received, which date must be within 20 days
5503 after the date specified in subparagraph 2.; and

5504 8. If not previously provided, accompanied by a copy of s.
5505 605.1006 and ss. 605.1061-605.1072.

5506 605.1066 Perfection of rights; right to withdraw.-

5507 (1) A member who receives notice pursuant to s. 605.1065
5508 and wishes to exercise appraisal rights must sign and return the
5509 form received pursuant to s. 605.1065 (1) and, in the case of
5510 certificated membership interests and if the limited liability

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5511 company so requires, deposit the member's certificates in
5512 accordance with the terms of the notice by the date referred to
5513 in the notice pursuant to s. 605.1065 (2)(b)2. Once a member
5514 deposits that member's certificates or, in the case of
5515 uncertificated membership interests, returns the signed form
5516 described in s. 605.1065 (2), the member loses all rights as a
5517 member, unless the member withdraws pursuant to subsection (2).
5518 Upon receiving a demand for payment from a member who holds an
5519 uncertificated membership interest, the limited liability
5520 company shall make an appropriate notation of the demand for
5521 payment in its records and shall restrict the transfer of the
5522 membership interest, or the applicable class or series, from the
5523 date the member delivers the items required by this section.

5524 (2) A member who has complied with subsection (1) may
5525 nevertheless decline to exercise appraisal rights and withdraw
5526 from the appraisal process by so notifying the limited liability
5527 company in writing by the date provided in the appraisal notice
5528 pursuant to s. 605.1065(2)(b)7. A member who fails to notify the
5529 limited liability company in writing of the withdrawal by the
5530 date provided in the appraisal notice may not thereafter
5531 withdraw without the limited liability company's written
5532 consent.

5533 (3) A member who does not sign and return the form and, in
5534 the case of certificated membership interests, deposit that
5535 member's certificates, if so required by the limited liability
5536 company, each by the date set forth in the notice described in
5537 s. 605.1065(2)(a), is not entitled to payment under s. 605.1006
5538 and ss. 605.1061-605.1072.

5539 (4) If the member's right to receive fair value is

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5540 terminated other than by the purchase of the membership interest
5541 by the limited liability company, all rights of the member, with
5542 respect to such membership interest, shall be reinstated
5543 effective as of the date the member delivered the items required
5544 by subsection (1), including the right to receive any
5545 intervening payment or other distribution with respect to such
5546 membership interest, or, if any such rights have expired or any
5547 such distribution other than a cash payment has been completed,
5548 in lieu thereof at the election of the limited liability
5549 company, the fair value thereof in cash as determined by the
5550 limited liability company as of the time of such expiration or
5551 completion, but without prejudice otherwise to any action or
5552 proceeding of the limited liability company that may have been
5553 taken by the limited liability company on or after the date the
5554 member delivered the items required by subsection (1).

5555 605.1067 Member's acceptance of limited liability company's
5556 offer.

5557 (1) If the member states on the form provided in s.
5558 605.1065(1) that the member accepts the offer of the limited
5559 liability company to pay the limited liability company's
5560 estimated fair value for the membership interest, the limited
5561 liability company shall make the payment to the member within 90
5562 days after the limited liability company's receipt of the items
5563 required by s. 605.1066(1).

5564 (2) Upon payment of the agreed value, the member shall
5565 cease to have an interest in the membership interest.

5566 605.1068 Procedure if member is dissatisfied with offer.-

5567 (1) A member who is dissatisfied with the limited liability
5568 company's offer as provided pursuant to s. 605.1065(2)(b)4. must

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5569 notify the limited liability company on the form provided
5570 pursuant to s. 605.1065(1) of the member's estimate of the fair
5571 value of the membership interest and demand payment of that
5572 estimate plus accrued interest.

5573 (2) A member who fails to notify the limited liability
5574 company in writing of the member's demand to be paid the
5575 member's estimate of the fair value plus interest under
5576 subsection (1) within the timeframe provided in s.
5577 605.1065(2)(b)2. waives the right to demand payment under this
5578 section and is entitled only to the payment offered by the
5579 limited liability company pursuant to s. 605.1065(2)(b)4.

5580 605.1069 Court action.-

5581 (1) If a member makes demand for payment under s. 605.1068
5582 which remains unsettled, the limited liability company shall
5583 commence a proceeding within 60 days after receiving the payment
5584 demand and petition the court to determine the fair value of the
5585 membership interest plus accrued interest from the date of the
5586 appraisal event. If the limited liability company does not
5587 commence the proceeding within the 60-day period, any member who
5588 has made a demand pursuant to s. 605.1068 may commence the
5589 proceeding in the name of the limited liability company.

5590 (2) The proceeding must be commenced in the appropriate
5591 court of the county in which the limited liability company's
5592 principal office in this state is located or, if none, the
5593 county in which its registered agent is located. If by virtue of
5594 the appraisal event becoming effective the entity has become a
5595 foreign entity without a registered agent in this state, the
5596 proceeding must be commenced in the county in this state in
5597 which the principal office or registered agent of the limited

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5598 liability company was located immediately before the time the
5599 appraisal event became effective; if it has, and immediately
5600 before the appraisal event became effective had no principal
5601 office in this state, then in the county in which the limited
5602 liability company has, or immediately before the time the
5603 appraisal event became effective had, an office in this state;
5604 or if none in this state, then in the county in which the
5605 limited liability company's registered office is or was last
5606 located.

5607 (3) All members, whether or not residents of this state,
5608 whose demands remain unsettled shall be made parties to the
5609 proceeding as in an action against their membership interests.
5610 The limited liability company shall serve a copy of the initial
5611 pleading in such proceeding upon each member-party who is a
5612 resident of this state in the manner provided by law for the
5613 service of a summons and complaint and upon each nonresident
5614 member-party by registered or certified mail or by publication
5615 as provided by law.

5616 (4) The jurisdiction of the court in which the proceeding
5617 is commenced under subsection (2) is plenary and exclusive. If
5618 it so elects, the court may appoint one or more persons as
5619 appraisers to receive evidence and recommend a decision on the
5620 question of fair value. The appraisers shall have the powers
5621 described in the order appointing them or in an amendment to the
5622 order. The members demanding appraisal rights are entitled to
5623 the same discovery rights as parties in other civil proceedings.
5624 There is no right to a jury trial.

5625 (5) Each member who is made a party to the proceeding is
5626 entitled to judgment for the amount of the fair value of such

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5627 member's membership interests, plus interest, as found by the
5628 court.

5629 (6) The limited liability company shall pay each such
5630 member the amount found to be due within 10 days after final
5631 determination of the proceedings. Upon payment of the judgment,
5632 the member ceases to have any interest in the membership
5633 interests.

5634 605.1070 Court costs and attorney fees.—

5635 (1) The court in an appraisal proceeding shall determine
5636 all costs of the proceeding, including the reasonable
5637 compensation and expenses of appraisers appointed by the court.
5638 The court shall assess the costs against the limited liability
5639 company, except that the court may assess costs against all or
5640 some of the members demanding appraisal, in amounts the court
5641 finds equitable, to the extent the court finds the members acted
5642 arbitrarily, vexatiously, or not in good faith with respect to
5643 the rights provided by this chapter.

5644 (2) The court in an appraisal proceeding may also assess
5645 the expenses incurred by the respective parties, in amounts the
5646 court finds equitable:

5647 (a) Against the limited liability company and in favor of
5648 any or all members demanding appraisal, if the court finds the
5649 limited liability company did not substantially comply with the
5650 requirements of ss. 605.1061-605.1072; or

5651 (b) Against either the limited liability company or a
5652 member demanding appraisal, in favor of another party, if the
5653 court finds that the party against whom the expenses are
5654 assessed acted arbitrarily, vexatiously, or not in good faith
5655 with respect to the rights provided by this chapter.

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5656 (3) If the court in an appraisal proceeding finds that the
5657 expenses incurred by any member were of substantial benefit to
5658 other members similarly situated and should not be assessed
5659 against the limited liability company, the court may direct that
5660 the expenses be paid out of the amounts awarded the members who
5661 were benefited.

5662 (4) To the extent the limited liability company fails to
5663 make a required payment pursuant to s. 605.1067 or s. 605.1069,
5664 the member may sue the limited liability company directly for
5665 the amount owed and, to the extent successful, is entitled to
5666 recover from the limited liability company all costs and
5667 expenses of the suit, including attorney fees.

5668 605.1071 Limitation on limited liability company payment.-

5669 (1) Payment may not be made to a member seeking appraisal
5670 rights if, at the time of payment, the limited liability company
5671 is unable to meet the distribution standards of s. 605.0405. In
5672 such event, the member shall, at the member's option:

5673 (a) Withdraw the notice of intent to assert appraisal
5674 rights, which is deemed withdrawn with the consent of the
5675 limited liability company; or

5676 (b) Retain the status as a claimant against the limited
5677 liability company and, if the limited liability company is
5678 liquidated, be subordinated to the rights of creditors of the
5679 limited liability company, but have rights superior to the
5680 members not asserting appraisal rights and, if the limited
5681 liability company is not liquidated, retain the right to be paid
5682 for the membership interest, which right the limited liability
5683 company shall be obligated to satisfy when the restrictions of
5684 this section do not apply.

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5685 (2) The member shall exercise the option under subparagraph
5686 (1) (a) or subparagraph (1) (b) by written notice filed with the
5687 limited liability company within 30 days after the limited
5688 liability company has given written notice that the payment for
5689 the membership interests cannot be made because of the
5690 restrictions of this section. If the member fails to exercise
5691 the option, the member is deemed to have withdrawn the notice of
5692 intent to assert appraisal rights.

5693 605.1072 Other remedies limited.-

5694 (1) The legality of a proposed or completed appraisal event
5695 may not be contested, and the appraisal event may not be
5696 enjoined, set aside, or rescinded, in a legal or equitable
5697 proceeding by a member after the members have approved the
5698 appraisal event.

5699 (2) Subsection (1) does not apply to an appraisal event
5700 that:

5701 (a) Was not authorized and approved in accordance with the
5702 applicable provisions of this chapter, the organic rules of the
5703 limited liability company, or the resolutions of the members
5704 authorizing the appraisal event;

5705 (b) Was procured as a result of fraud, a material
5706 misrepresentation, or an omission of a material fact that is
5707 necessary to make statements made, in light of the circumstances
5708 in which they were made, not misleading; or

5709 (c) Is an interested transaction, unless it has been
5710 approved in the same manner as is provided in s. 605.04092 or is
5711 fair to the limited liability company as defined in s.
5712 605.04092(1) (c).

5713 605.1101 Uniformity of application and construction.-In

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5714 applying and construing this chapter, consideration must be
5715 given to the need to promote uniformity of the law with respect
5716 to the uniform act upon which it is based.

5717 605.1102 Relation to Electronic Signatures in Global and
5718 National Commerce Act.—This chapter modifies, limits, and
5719 supersedes the Electronic Signatures in Global and National
5720 Commerce Act, 15 U.S.C. s. 7001 et seq., but does not modify,
5721 limit, or supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c),
5722 or authorize electronic delivery of the notices described in s.
5723 103(b) of that act, 15 U.S.C. s. 7003(b). Notwithstanding the
5724 foregoing, this chapter does not operate to modify, limit, or
5725 supersede any provisions of s. 15.16, s. 116.34, or s. 668.50.

5726 605.1103 Tax exemption on income of certain limited
5727 liability companies.—

5728 (1) A limited liability company classified as a partnership
5729 for federal income tax purposes, or a single-member limited
5730 liability company that is disregarded as an entity separate from
5731 its owner for federal income tax purposes, and organized
5732 pursuant to this chapter or qualified to do business in this
5733 state as a foreign limited liability company is not an
5734 “artificial entity” within the purview of s. 220.02 and is not
5735 subject to the tax imposed under chapter 220. If a single-member
5736 limited liability company is disregarded as an entity separate
5737 from its owner for federal income tax purposes, its activities
5738 are, for purposes of taxation under chapter 220, treated in the
5739 same manner as a sole proprietorship, branch, or division of the
5740 owner.

5741 (2) For purposes of taxation under chapter 220, a limited
5742 liability company formed in this state or a foreign limited

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5743 liability company with a certificate of authority to transact
5744 business in this state shall be classified as a partnership or a
5745 limited liability company that has only one member shall be
5746 disregarded as an entity separate from its owner for federal
5747 income tax purposes, unless classified otherwise for federal
5748 income tax purposes, in which case the limited liability company
5749 shall be classified identically to its classification for
5750 federal income tax purposes. For purposes of taxation under
5751 chapter 220, a member or a transferee of a member of a limited
5752 liability company formed in this state or a foreign limited
5753 liability company with a certificate of authority to transact
5754 business in this state shall be treated as a resident or
5755 nonresident partner unless classified otherwise for federal
5756 income tax purposes, in which case the member or transferee of a
5757 member has the same status as the member or transferee of a
5758 member has for federal income tax purposes.

5759 (3) Single-member limited liability companies and other
5760 entities that are disregarded for federal income tax purposes
5761 must be treated as separate legal entities for all non-income
5762 tax purposes. The Department of Revenue shall adopt rules to
5763 take into account that single-member disregarded entities such
5764 as limited liability companies and qualified subchapter S
5765 corporations may be disregarded as separate entities for federal
5766 tax purposes and therefore may report and account for income,
5767 employment, and other taxes under the taxpayer identification
5768 number of the owner of the single-member entity.

5769 605.1104 Interrogatories by department; other powers of
5770 department.-

5771 (1) The department may direct to any limited liability

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5772 company or foreign limited liability company subject to this
5773 chapter, and to a member or manager of any limited liability
5774 company or foreign limited liability company subject to this
5775 chapter, interrogatories reasonably necessary and proper to
5776 enable the department to ascertain whether the limited liability
5777 company or foreign limited liability company has complied with
5778 the provisions of this chapter applicable to the limited
5779 liability company or foreign limited liability company. The
5780 interrogatories must be answered within 30 days after the date
5781 of mailing, or within such additional time as fixed by the
5782 department. The answers to the interrogatories must be full and
5783 complete and must be made in writing and under oath. If the
5784 interrogatories are directed to an individual, they must be
5785 answered by the individual, and if directed to a limited
5786 liability company or foreign limited liability company, they
5787 must be answered by a manager of a manager-managed company, a
5788 member of a member-managed company, or other applicable governor
5789 if a foreign limited liability company is not member-managed or
5790 manager managed, or a fiduciary if the company is in the hands
5791 of a receiver, trustee, or other court-appointed fiduciary.

5792 (2) The department need not file a record in a court of
5793 competent jurisdiction to which the interrogatories relate until
5794 the interrogatories are answered as provided in this chapter,
5795 and is not required to file a record if the answers disclose
5796 that the record is not in conformity with the requirements of
5797 this chapter or if the department has determined that the
5798 parties to such document have not paid all fees, taxes, and
5799 penalties due and owing this state. The department shall certify
5800 to the Department of Legal Affairs, for such action as the

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5801 Department of Legal Affairs may deem appropriate, all
5802 interrogatories and answers that disclose a violation of this
5803 chapter.

5804 (3) The department may, based upon its findings under this
5805 section or as provided in s. 213.053(15), bring an action in
5806 circuit court to collect any penalties, fees, or taxes
5807 determined to be due and owing the state and to compel any
5808 filing, qualification, or registration required by law. In
5809 connection with such proceeding, the department may, without
5810 prior approval by the court, file a lis pendens against any
5811 property owned by the limited liability company and may further
5812 certify any findings to the Department of Legal Affairs for the
5813 initiation of an action permitted pursuant to this chapter which
5814 the Department of Legal Affairs may deem appropriate.

5815 (4) The department has the power and authority reasonably
5816 necessary to administer this chapter efficiently, to perform the
5817 duties herein imposed upon it, and to adopt reasonable rules
5818 necessary to carry out its duties and functions under this
5819 chapter.

5820 605.1105 Reservation of power to amend or repeal.—The
5821 Legislature has the power to amend or repeal all or part of this
5822 chapter at any time, and all domestic and foreign limited
5823 liability companies subject to this chapter shall be governed by
5824 the amendment or repeal.

5825 605.1106 Savings clause.—

5826 (1) Except as provided in subsection (2), the repeal of a
5827 statute by this chapter does not affect:

5828 (a) The operation of the statute or an action taken under
5829 it before its repeal, including, without limiting the generality

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5830 of the foregoing, the continuing validity of any provision of
5831 the articles of organization, regulations, or operating
5832 agreements of a limited liability company authorized under the
5833 statute at the time of its adoption;

5834 (b) Any ratification, right, remedy, privilege, obligation,
5835 or liability acquired, accrued, or incurred under the statute
5836 before its repeal;

5837 (c) Any violation of the statute or any penalty,
5838 forfeiture, or punishment incurred because of the violation,
5839 before its repeal; or

5840 (d) Any proceeding, merger, sale of assets, reorganization,
5841 or dissolution commenced under the statute before its repeal,
5842 and the proceeding, merger, sale of assets, reorganization, or
5843 dissolution may be completed in accordance with the statute as
5844 if it had not been repealed.

5845 (2) If a penalty or punishment imposed for violation of a
5846 statute is reduced by this chapter, the penalty or punishment,
5847 if not already imposed, shall be imposed in accordance with this
5848 chapter.

5849 (3) This chapter does not affect an action commenced,
5850 proceeding brought, or right accrued before this chapter takes
5851 effect.

5852 605.1107 Severability clause.—If any provision of this
5853 chapter or its application to any person or circumstance is held
5854 invalid, the invalidity does not affect other provisions or
5855 applications of this chapter which can be given effect without
5856 the invalid provision or application, and to this end the
5857 provisions of this chapter are severable.

5858 605.1108 Application to limited liability company formed

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5859 under the Florida Limited Liability Company Act.-

5860 (1) Subject to subsection (4), before January 1, 2015, this
5861 chapter governs only:

5862 (a) A limited liability company formed on or after January
5863 1, 2014; and

5864 (b) A limited liability company formed before January 1,
5865 2014, which elects, in the manner provided in its operating
5866 agreement or by law for amending the operating agreement, to be
5867 subject to this chapter.

5868 (2) On or after January 1, 2015, this chapter governs all
5869 limited liability companies.

5870 (3) For the purpose of applying this chapter to a limited
5871 liability company formed before January 1, 2014, under the
5872 Florida Limited Liability Company Act, ss. 608.401-608.705:

5873 (a) The company's articles of organization are deemed to be
5874 the company's articles of organization under this chapter; and

5875 (b) For the purpose of applying s. 605.0102(39), the
5876 language in the company's articles of organization designating
5877 the company's management structure operates as if that language
5878 were in the operating agreement.

5879 (4) Notwithstanding the provisions of subsections (1) and
5880 (2), effective January 1, 2014, all documents, instruments, and
5881 other records submitted to the department must comply with the
5882 filing requirements stipulated by this chapter.

5883 Section 3. Section 48.062, Florida Statutes, is created to
5884 read:

5885 48.062 Service on a limited liability company.-

5886 (1) Process against a limited liability company, domestic
5887 or foreign, may be served on the registered agent designated by

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5888 the limited liability company under chapter 605 or chapter 608.
5889 A person attempting to serve process pursuant to this subsection
5890 may serve the process on any employee of the registered agent
5891 during the first attempt at service even if the registered agent
5892 is a natural person and is temporarily absent from his or her
5893 office.

5894 (2) If service cannot be made on a registered agent of the
5895 limited liability company because of failure to comply with
5896 chapter 605 or chapter 608 or because the limited liability
5897 company does not have a registered agent, or if its registered
5898 agent cannot with reasonable diligence be served, process
5899 against the limited liability company, domestic or foreign, may
5900 be served:

5901 (a) On a member of a member-managed limited liability
5902 company;

5903 (b) On a manager of a manager-managed limited liability
5904 company; or

5905 (c) If a member or manager is not available during regular
5906 business hours to accept service on behalf of the limited
5907 liability company, he, she, or it may designate an employee of
5908 the limited liability company to accept such service. After one
5909 attempt to serve a member, manager, or designated employee has
5910 been made, process may be served on the person in charge of the
5911 limited liability company during regular business hours.

5912 (3) If, after reasonable diligence, service of process
5913 cannot be completed under subsection (1) or (2), service of
5914 process may be effected by service upon the Secretary of State
5915 as agent of the limited liability company as provided for in s.
5916 48.181.

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5917 (4) If the address provided for the registered agent,
5918 member or manager is a residence or private mailbox, service on
5919 the limited liability company, domestic or foreign, may be made
5920 by serving the registered agent, member or manager in accordance
5921 with s. 48.031.

5922 (5) This section does not apply to service of process on
5923 insurance companies.

5924 Section 4. Effective January 1, 2015, the Florida Limited
5925 Liability Company Act, consisting of ss. 608.401-608.705,
5926 Florida Statutes, is repealed.

5927 Section 5. Subsection (3) of section 607.1109, Florida
5928 Statutes, is amended to read:

5929 607.1109 Articles of merger.—

5930 (3) A domestic corporation is not required to file articles
5931 of merger pursuant to subsection (1) if the domestic corporation
5932 is named as a party or constituent organization in articles of
5933 merger or a certificate of merger filed for the same merger in
5934 accordance with s. 605.1025, s. 608.4382(1), s. 617.1108, s.
5935 620.2108(3), or s. 620.8918(1) and (2), and if the articles of
5936 merger or certificate of merger substantially complies with the
5937 requirements of this section. In such a case, the other articles
5938 of merger or certificate of merger may also be used for purposes
5939 of subsection (2).

5940 Section 6. Effective January 1, 2015, subsection (3) of
5941 section 607.1109, Florida Statutes, is amended to read:

5942 607.1109 Articles of merger.—

5943 (3) A domestic corporation is not required to file articles
5944 of merger pursuant to subsection (1) if the domestic corporation
5945 is named as a party or constituent organization in articles of

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5946 merger or a certificate of merger filed for the same merger in
5947 accordance with s. 605.1025, ~~s. 608.439(1)~~, s. 617.1108, s.
5948 620.2108(3), or s. 620.8918(1) and (2), and if the articles of
5949 merger or certificate of merger substantially complies with the
5950 requirements of this section. In such a case, the other articles
5951 of merger or certificate of merger may also be used for purposes
5952 of subsection (2).

5953 Section 7. Subsection (3) of section 607.1113, Florida
5954 Statutes, is amended to read:

5955 607.1113 Certificate of conversion.—

5956 (3) A converting domestic corporation is not required to
5957 file a certificate of conversion pursuant to subsection (1) if
5958 the converting domestic corporation files articles of conversion
5959 or a certificate of conversion that substantially complies with
5960 the requirements of this section pursuant to s. 605.1045, s.
5961 608.439, s. 620.2104(1) (b), or s. 620.8914(1) (b) and contains
5962 the signatures required by this chapter. In such a case, the
5963 other certificate of conversion may also be used for purposes of
5964 subsection (2).

5965 Section 8. Effective January 1, 2015, subsection (3) of
5966 section 607.1113, Florida Statutes, is amended to read:

5967 607.1113 Certificate of conversion.—

5968 (3) A converting domestic corporation is not required to
5969 file a certificate of conversion pursuant to subsection (1) if
5970 the converting domestic corporation files articles of conversion
5971 or a certificate of conversion that substantially complies with
5972 the requirements of this section pursuant to s. 605.1045, ~~s.~~
5973 ~~608.439~~, s. 620.2104(1) (b), or s. 620.8914(1) (b) and contains
5974 the signatures required by this chapter. In such a case, the

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5975 other certificate of conversion may also be used for purposes of
5976 subsection (2).

5977 Section 9. Subsections (1) and (2) of section 607.193,
5978 Florida Statutes, are amended to read:

5979 607.193 Supplemental corporate fee.—

5980 (1) In addition to any other taxes imposed by law, an
5981 annual supplemental corporate fee of \$88.75 is imposed on each
5982 business entity that is authorized to transact business in this
5983 state and is required to file an annual report with the
5984 Department of State under s. 605.0212, s. 607.1622, s. 608.4511,
5985 or s. 620.1210.

5986 (2) (a) The business entity shall remit the supplemental
5987 corporate fee to the Department of State at the time it files
5988 the annual report required by s. 605.0212, s. 607.1622, s.
5989 608.4511, or s. 620.1210.

5990 (b) In addition to the fees levied under ss. 607.0122~~7~~
5991 ~~608.4527~~, and 620.1109, s. 605.0213 or s. 608.452, and the
5992 supplemental corporate fee, a late charge of \$400 shall be
5993 imposed if the supplemental corporate fee is remitted after May
5994 1 except in circumstances in which a business entity was
5995 administratively dissolved or its certificate of authority was
5996 revoked due to its failure to file an annual report and the
5997 entity subsequently applied for reinstatement and paid the
5998 applicable reinstatement fee.

5999 Section 10. Effective January 1, 2015, subsections (1) and
6000 (2) of section 607.193, Florida Statutes, are amended to read:

6001 607.193 Supplemental corporate fee.—

6002 (1) In addition to any other taxes imposed by law, an
6003 annual supplemental corporate fee of \$88.75 is imposed on each

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6004 business entity that is authorized to transact business in this
6005 state and is required to file an annual report with the
6006 Department of State under s. 605.0212, s. 607.1622, ~~s. 608.4511,~~
6007 or s. 620.1210.

6008 (2) (a) The business entity shall remit the supplemental
6009 corporate fee to the Department of State at the time it files
6010 the annual report required by s. 605.0212, s. 607.1622, ~~s.~~
6011 ~~608.4511,~~ or s. 620.1210.

6012 (b) In addition to the fees levied under ss. 605.0213,
6013 607.0122, and 620.1109, ~~s. 605.0213 or s. 608.452,~~ and the
6014 supplemental corporate fee, a late charge of \$400 shall be
6015 imposed if the supplemental corporate fee is remitted after May
6016 1 except in circumstances in which a business entity was
6017 administratively dissolved or its certificate of authority was
6018 revoked due to its failure to file an annual report and the
6019 entity subsequently applied for reinstatement and paid the
6020 applicable reinstatement fee.

6021 Section 11. Subsection (2) of section 617.1108, Florida
6022 Statutes, is amended to read:

6023 617.1108 Merger of domestic corporation and other business
6024 entities.—

6025 (2) A domestic corporation not for profit organized under
6026 this chapter is not required to file articles of merger pursuant
6027 to this section if the corporation not for profit is named as a
6028 party or constituent organization in articles of merger or a
6029 certificate of merger filed for the same merger in accordance
6030 with s. 605.1025, s. 607.1109, s. 608.4382(1), s. 620.2108(3),
6031 or s. 620.8918(1) and (2). In such a case, the other articles of
6032 merger or certificate of merger may also be used for purposes of

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6033 subsection (3).

6034 Section 12. Effective January 1, 2015, subsection (2) of
6035 section 617.1108, Florida Statutes, is amended to read:

6036 617.1108 Merger of domestic corporation and other business
6037 entities.—

6038 (2) A domestic corporation not for profit organized under
6039 this chapter is not required to file articles of merger pursuant
6040 to this section if the corporation not for profit is named as a
6041 party or constituent organization in articles of merger or a
6042 certificate of merger filed for the same merger in accordance
6043 with s. 605.1025, s. 607.1109, ~~s. 608.4382(1)~~, s. 620.2108(3),
6044 or s. 620.8918(1) and (2). In such a case, the other articles of
6045 merger or certificate of merger may also be used for purposes of
6046 subsection (3).

6047 Section 13. Paragraph (c) of subsection (1) of section
6048 620.2104, Florida Statutes, is amended to read:

6049 620.2104 Filings required for conversion; effective date.—

6050 (1) After a plan of conversion is approved:

6051 (c) A converting limited partnership is not required to
6052 file a certificate of conversion pursuant to paragraph (a) if
6053 the converting limited partnership files articles of conversion
6054 or a certificate of conversion that substantially complies with
6055 the requirements of this section pursuant to s. 605.1045, s.
6056 607.1115, s. 608.439, or s. 620.8914(1)(b) and contains the
6057 signatures required by this chapter. In such a case, the other
6058 certificate of conversion may also be used for purposes of s.
6059 620.2105(4).

6060 Section 14. Effective January 1, 2015, paragraph (c) of
6061 subsection (1) of section 620.2104, Florida Statutes, is amended

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6062 to read:

6063 620.2104 Filings required for conversion; effective date.-

6064 (1) After a plan of conversion is approved:

6065 (c) A converting limited partnership is not required to
6066 file a certificate of conversion pursuant to paragraph (a) if
6067 the converting limited partnership files articles of conversion
6068 or a certificate of conversion that substantially complies with
6069 the requirements of this section pursuant to s. 605.1045, s.
6070 607.1115, ~~s. 608.439~~, or s. 620.8914(1)(b) and contains the
6071 signatures required by this chapter. In such a case, the other
6072 certificate of conversion may also be used for purposes of s.
6073 620.2105(4).

6074 Section 15. Subsection (3) of section 620.2108, Florida
6075 Statutes, is amended to read:

6076 620.2108 Filings required for merger; effective date.-

6077 (3) Each constituent limited partnership shall deliver the
6078 certificate of merger for filing in the Department of State
6079 unless the constituent limited partnership is named as a party
6080 or constituent organization in articles of merger or a
6081 certificate of merger filed for the same merger in accordance
6082 with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,
6083 or s. 620.8918(1) and (2) and such articles of merger or
6084 certificate of merger substantially complies with the
6085 requirements of this section. In such a case, the other articles
6086 of merger or certificate of merger may also be used for purposes
6087 of s. 620.2109(3).

6088 Section 16. Effective January 1, 2015, subsection (3) of
6089 section 620.2108, Florida Statutes, is amended to read:

6090 620.2108 Filings required for merger; effective date.-

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6091 (3) Each constituent limited partnership shall deliver the
6092 certificate of merger for filing in the Department of State
6093 unless the constituent limited partnership is named as a party
6094 or constituent organization in articles of merger or a
6095 certificate of merger filed for the same merger in accordance
6096 with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,
6097 or s. 620.8918(1) and (2) and such articles of merger or
6098 certificate of merger substantially complies with the
6099 requirements of this section. In such a case, the other articles
6100 of merger or certificate of merger may also be used for purposes
6101 of s. 620.2109(3).

6102 Section 17. Subsection (1) of section 620.8914, Florida
6103 Statutes, is amended to read:

6104 620.8914 Filings required for conversion; effective date.-

6105 (1) After a plan of conversion is approved:

6106 (a) A converting partnership shall deliver to the
6107 Department of State for filing a registration statement in
6108 accordance with s. 620.8105, if such statement was not
6109 previously filed, and a certificate of conversion, in accordance
6110 with s. 620.8105, which must include:

6111 1. A statement that the partnership has been converted into
6112 another organization.

6113 2. The name and form of the organization and the
6114 jurisdiction of its governing law.

6115 3. The date the conversion is effective under the governing
6116 law of the converted organization.

6117 4. A statement that the conversion was approved as required
6118 by this act.

6119 5. A statement that the conversion was approved as required

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6120 by the governing law of the converted organization.

6121 6. If the converted organization is a foreign organization
6122 not authorized to transact business in this state, the street
6123 and mailing address of an office which the Department of State
6124 may use for the purposes of s. 620.8915(3).

6125 (b) In the case of a converting organization converting
6126 into a partnership to be governed by this act, the converting
6127 organization shall deliver to the Department of State for
6128 filing:

6129 1. A registration statement in accordance with s. 620.8105.

6130 2. A certificate of conversion, in accordance with s.
6131 620.8105, signed by a general partner of the partnership in
6132 accordance with s. 620.8105(6) and by the converting
6133 organization as required by applicable law, which certificate of
6134 conversion must include:

6135 a. A statement that the partnership was converted from
6136 another organization.

6137 b. The name and form of the converting organization and the
6138 jurisdiction of its governing law.

6139 c. A statement that the conversion was approved as required
6140 by this act.

6141 d. A statement that the conversion was approved in a manner
6142 that complied with the converting organization's governing law.

6143 e. The effective time of the conversion, if other than the
6144 time of the filing of the certificate of conversion.

6145

6146 A converting domestic partnership is not required to file a
6147 certificate of conversion pursuant to paragraph (a) if the
6148 converting domestic partnership files articles of conversion or

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6149 a certificate of conversion that substantially complies with the
6150 requirements of this section pursuant to s. 605.1045, s.
6151 607.1115, s. 608.439, or s. 620.2104(1)(b) and contains the
6152 signatures required by this chapter. In such a case, the other
6153 certificate of conversion may also be used for purposes of s.
6154 620.8915(4).

6155 Section 18. Effective January 1, 2015, subsection (1) of
6156 section 620.8914, Florida Statutes, is amended to read:

6157 620.8914 Filings required for conversion; effective date.-

6158 (1) After a plan of conversion is approved:

6159 (a) A converting partnership shall deliver to the
6160 Department of State for filing a registration statement in
6161 accordance with s. 620.8105, if such statement was not
6162 previously filed, and a certificate of conversion, in accordance
6163 with s. 620.8105, which must include:

6164 1. A statement that the partnership has been converted into
6165 another organization.

6166 2. The name and form of the organization and the
6167 jurisdiction of its governing law.

6168 3. The date the conversion is effective under the governing
6169 law of the converted organization.

6170 4. A statement that the conversion was approved as required
6171 by this act.

6172 5. A statement that the conversion was approved as required
6173 by the governing law of the converted organization.

6174 6. If the converted organization is a foreign organization
6175 not authorized to transact business in this state, the street
6176 and mailing address of an office which the Department of State
6177 may use for the purposes of s. 620.8915(3).

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6178 (b) In the case of a converting organization converting
6179 into a partnership to be governed by this act, the converting
6180 organization shall deliver to the Department of State for
6181 filing:

6182 1. A registration statement in accordance with s. 620.8105.

6183 2. A certificate of conversion, in accordance with s.
6184 620.8105, signed by a general partner of the partnership in
6185 accordance with s. 620.8105(6) and by the converting
6186 organization as required by applicable law, which certificate of
6187 conversion must include:

6188 a. A statement that the partnership was converted from
6189 another organization.

6190 b. The name and form of the converting organization and the
6191 jurisdiction of its governing law.

6192 c. A statement that the conversion was approved as required
6193 by this act.

6194 d. A statement that the conversion was approved in a manner
6195 that complied with the converting organization's governing law.

6196 e. The effective time of the conversion, if other than the
6197 time of the filing of the certificate of conversion.

6198
6199 A converting domestic partnership is not required to file a
6200 certificate of conversion pursuant to paragraph (a) if the
6201 converting domestic partnership files articles of conversion or
6202 a certificate of conversion that substantially complies with the
6203 requirements of this section pursuant to s. 605.1045, s.
6204 607.1115, ~~s. 608.439~~, or s. 620.2104(1)(b) and contains the
6205 signatures required by this chapter. In such a case, the other
6206 certificate of conversion may also be used for purposes of s.

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6207 620.8915(4).

6208 Section 19. Subsection (3) of section 620.8918, Florida
6209 Statutes, is amended to read:

6210 620.8918 Filings required for merger; effective date.—

6211 (3) Each domestic constituent partnership shall deliver the
6212 certificate of merger for filing with the Department of State,
6213 unless the domestic constituent partnership is named as a party
6214 or constituent organization in articles of merger or a
6215 certificate of merger filed for the same merger in accordance
6216 with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,
6217 or s. 620.2108(3). The articles of merger or certificate of
6218 merger must substantially comply with the requirements of this
6219 section. In such a case, the other articles of merger or
6220 certificate of merger may also be used for purposes of s.
6221 620.8919(3). Each domestic constituent partnership in the merger
6222 shall also file a registration statement in accordance with s.
6223 620.8105(1) if it does not have a currently effective
6224 registration statement filed with the Department of State.

6225 Section 20. Effective January 1, 2015, subsection (3) of
6226 section 620.8918, Florida Statutes, is amended to read:

6227 620.8918 Filings required for merger; effective date.—

6228 (3) Each domestic constituent partnership shall deliver the
6229 certificate of merger for filing with the Department of State,
6230 unless the domestic constituent partnership is named as a party
6231 or constituent organization in articles of merger or a
6232 certificate of merger filed for the same merger in accordance
6233 with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,
6234 or s. 620.2108(3). The articles of merger or certificate of
6235 merger must substantially comply with the requirements of this

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6236 section. In such a case, the other articles of merger or
6237 certificate of merger may also be used for purposes of s.
6238 620.8919(3). Each domestic constituent partnership in the merger
6239 shall also file a registration statement in accordance with s.
6240 620.8105(1) if it does not have a currently effective
6241 registration statement filed with the Department of State.

6242 Section 21. Section 621.051, Florida Statutes, is amended
6243 to read:

6244 621.051 Limited liability company organization.—A group of
6245 professional service corporations, professional limited
6246 liability companies, or individuals, in any combination, duly
6247 licensed or otherwise legally authorized to render the same
6248 professional services may organize and become members of a
6249 professional limited liability company for pecuniary profit
6250 under the provisions of chapter 605 or chapter 608 for the sole
6251 and specific purpose of rendering the same and specific
6252 professional service.

6253 Section 22. Effective January 1, 2015, section 621.051,
6254 Florida Statutes, is amended to read:

6255 621.051 Limited liability company organization.—A group of
6256 professional service corporations, professional limited
6257 liability companies, or individuals, in any combination, duly
6258 licensed or otherwise legally authorized to render the same
6259 professional services may organize and become members of a
6260 professional limited liability company for pecuniary profit
6261 under the provisions of chapter 605 ~~or chapter 608~~ for the sole
6262 and specific purpose of rendering the same and specific
6263 professional service.

6264 Section 23. Section 621.07, Florida Statutes, is amended to

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6265 read:

6266 621.07 Liability of officers, agents, employees,
6267 shareholders, members, and corporation or limited liability
6268 company.—Nothing contained in this act shall be interpreted to
6269 abolish, repeal, modify, restrict, or limit the law now in
6270 effect in this state applicable to the professional relationship
6271 and liabilities between the person furnishing the professional
6272 services and the person receiving such professional service and
6273 to the standards for professional conduct; provided, however,
6274 that any officer, agent, member, manager, or employee of a
6275 corporation or limited liability company organized under this
6276 act shall be personally liable and accountable only for
6277 negligent or wrongful acts or misconduct committed by that
6278 person, or by any person under that person's direct supervision
6279 and control, while rendering professional service on behalf of
6280 the corporation or limited liability company to the person for
6281 whom such professional services were being rendered; and
6282 provided further that the personal liability of shareholders of
6283 a corporation, or members of a limited liability company,
6284 organized under this act, in their capacity as shareholders or
6285 members of such corporation or limited liability company, shall
6286 be no greater in any aspect than that of a shareholder-employee
6287 of a corporation organized under chapter 607 or a member-
6288 employee of a limited liability company organized under chapter
6289 605 or chapter 608. The corporation or limited liability company
6290 shall be liable up to the full value of its property for any
6291 negligent or wrongful acts or misconduct committed by any of its
6292 officers, agents, members, managers, or employees while they are
6293 engaged on behalf of the corporation or limited liability

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6294 company in the rendering of professional services.

6295 Section 24. Effective January 1, 2015, section 621.07,
6296 Florida Statutes, is amended to read:

6297 621.07 Liability of officers, agents, employees,
6298 shareholders, members, and corporation or limited liability
6299 company.—Nothing contained in this act shall be interpreted to
6300 abolish, repeal, modify, restrict, or limit the law now in
6301 effect in this state applicable to the professional relationship
6302 and liabilities between the person furnishing the professional
6303 services and the person receiving such professional service and
6304 to the standards for professional conduct; provided, however,
6305 that any officer, agent, member, manager, or employee of a
6306 corporation or limited liability company organized under this
6307 act shall be personally liable and accountable only for
6308 negligent or wrongful acts or misconduct committed by that
6309 person, or by any person under that person's direct supervision
6310 and control, while rendering professional service on behalf of
6311 the corporation or limited liability company to the person for
6312 whom such professional services were being rendered; and
6313 provided further that the personal liability of shareholders of
6314 a corporation, or members of a limited liability company,
6315 organized under this act, in their capacity as shareholders or
6316 members of such corporation or limited liability company, shall
6317 be no greater in any aspect than that of a shareholder-employee
6318 of a corporation organized under chapter 607 or a member-
6319 employee of a limited liability company organized under chapter
6320 605 ~~or chapter 608~~. The corporation or limited liability company
6321 shall be liable up to the full value of its property for any
6322 negligent or wrongful acts or misconduct committed by any of its

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6323 officers, agents, members, managers, or employees while they are
6324 engaged on behalf of the corporation or limited liability
6325 company in the rendering of professional services.

6326 Section 25. Subsections (2) and (4) of section 621.12,
6327 Florida Statutes, are amended to read:

6328 621.12 Identification with individual shareholders or
6329 individual members.—

6330 (2) The name shall also contain:

6331 (a) The word "chartered"; or

6332 (b)1. In the case of a professional corporation, the words
6333 "professional association" or the abbreviation "P.A."; or

6334 2. In the case of a professional limited liability company~~7~~
6335 formed before January 1, 2014, the words "professional limited
6336 company" or "professional limited liability company," ~~or~~ the
6337 abbreviation "P.L.~~7~~" or "P.L.L.C." or the designation "PL" or
6338 "PLLC," in lieu of the words "limited company" or "limited
6339 liability company," or the abbreviation "L.C." or "L.L.C." or
6340 the designation "LC" or "LLC" as otherwise required under s.
6341 605.0112 or s. 608.406.

6342 3. In the case of a professional limited liability company
6343 formed on or after January 1, 2014, the words "professional
6344 limited liability company," the abbreviation "P.L.L.C." or the
6345 designation "PLLC," in lieu of the words "limited liability
6346 company," or the abbreviation "L.L.C." or the designation "LLC"
6347 as otherwise required under s.605.0112.

6348 (4) It shall be permissible, however, for the corporation
6349 or limited liability company to render professional services and
6350 to exercise its authorized powers under a name which is
6351 identical to its name except that the word "chartered," the

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6352 words "professional association," ~~or~~ "professional limited
6353 company," or "professional limited liability company," ~~or~~ the
6354 abbreviations "P.A.," ~~or~~ "P.L.," or "P.L.L.C.," or the
6355 designation "PL" or "PLLC" may be omitted, provided that the
6356 corporation or limited liability company has first registered
6357 the name to be so used in the manner required for the
6358 registration of fictitious names.

6359 Section 26. Section 621.13, Florida Statutes, is amended to
6360 read:

6361 621.13 Applicability of chapters 605, 607, and 608.—

6362 (1) Chapter 607 is applicable to a corporation organized
6363 pursuant to this act except to the extent that any of the
6364 provisions of this act are interpreted to be in conflict with
6365 the provisions of chapter 607. In such event, the provisions and
6366 sections of this act shall take precedence with respect to a
6367 corporation organized pursuant to the provisions of this act.

6368 (2) (a) Before January 1, 2014, and during any transition
6369 period thereafter, chapter 608 is applicable to a limited
6370 liability company organized pursuant to this act before January
6371 1, 2014, except to the extent that any of the provisions of this
6372 act are interpreted to be in conflict with the provisions of
6373 chapter 608. In such event, the provisions and sections of this
6374 act shall take precedence with respect to a limited liability
6375 company organized pursuant to the provisions of this act.

6376 (b) On and after January 1, 2014, chapter 605 is applicable
6377 to a limited liability company organized pursuant to this act on
6378 or after January 1, 2014, except to the extent that any of the
6379 provisions of this act are interpreted to be in conflict with
6380 the provisions of chapter 605. In such event, the provisions and

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6381 sections of this act shall take precedence with respect to a
6382 limited liability company organized pursuant to the provisions
6383 of this act.

6384 (c) After an election is made to be subject to the
6385 provisions of chapter 605, chapter 605 applies to a limited
6386 liability company organized pursuant to this act before January
6387 1, 2014, except to the extent that any of the provisions of this
6388 act are interpreted to be in conflict with the provisions of
6389 chapter 605. In such event, the provisions and sections of this
6390 act shall take precedence with respect to a limited liability
6391 company organized pursuant to the provisions of this act.

6392 (3) A professional corporation or limited liability company
6393 heretofore or hereafter organized under this act may change its
6394 business purpose from the rendering of professional service to
6395 provide for any other lawful purpose by amending its certificate
6396 of incorporation in the manner required for an original
6397 incorporation under chapter 607 or by amending its certificate
6398 of organization in the manner required for an original
6399 organization under chapter 608, or for a limited liability
6400 company subject to chapter 605 by amending its certificate of
6401 organization in the manner required for an original organization
6402 under chapter 605. However, such an amendment, when filed with
6403 and accepted by the Department of State, shall remove such
6404 corporation or limited liability company from the provisions of
6405 this chapter including, but not limited to, the right to
6406 practice a profession. A change of business purpose shall not
6407 have any effect on the continued existence of the corporation or
6408 limited liability company.

6409 Section 27. Effective January 1, 2015, section 621.13,

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6410 Florida Statutes, is amended to read:

6411 621.13 Applicability of chapters 605 and, 607, ~~and 608.~~

6412 (1) Chapter 607 is applicable to a corporation organized
6413 pursuant to this act except to the extent that any of the
6414 provisions of this act are interpreted to be in conflict with
6415 the provisions of chapter 607. In such event, the provisions and
6416 sections of this act shall take precedence with respect to a
6417 corporation organized pursuant to the provisions of this act.

6418 (2) ~~(a) Chapter 605 Before January 1, 2014, and during any~~
6419 ~~transition period thereafter, chapter 608~~ is applicable to a
6420 limited liability company organized pursuant to this act ~~before~~
6421 ~~January 1, 2014,~~ except to the extent that any of the provisions
6422 of this act are interpreted to be in conflict with the
6423 provisions of chapter 605 ~~608~~. In such event, the provisions and
6424 sections of this act shall take precedence with respect to a
6425 limited liability company organized pursuant to the provisions
6426 of this act.

6427 ~~(b) On and after January 1, 2014, chapter 605 is applicable~~
6428 ~~to a limited liability company organized pursuant to this act on~~
6429 ~~or after January 1, 2014, except to the extent that any of the~~
6430 ~~provisions of this act are interpreted to be in conflict with~~
6431 ~~the provisions of chapter 605. In such event, the provisions and~~
6432 ~~sections of this act shall take precedence with respect to a~~
6433 ~~limited liability company organized pursuant to the provisions~~
6434 ~~of this act.~~

6435 ~~(c) After an election is made to be subject to the~~
6436 ~~provisions of chapter 605, chapter 605 applies to a limited~~
6437 ~~liability company organized pursuant to this act before January~~
6438 ~~1, 2014, except to the extent that any of the provisions of this~~

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6439 ~~act are interpreted to be in conflict with the provisions of~~
6440 ~~chapter 605. In such event, the provisions and sections of this~~
6441 ~~act shall take precedence with respect to a limited liability~~
6442 ~~company organized pursuant to the provisions of this act.~~

6443 (3) A professional corporation or limited liability company
6444 heretofore or hereafter organized under this act may change its
6445 business purpose from the rendering of professional service to
6446 provide for any other lawful purpose by amending its certificate
6447 of incorporation in the manner required for an original
6448 incorporation under chapter 607 or ~~by amending its certificate~~
6449 ~~of organization in the manner required for an original~~
6450 ~~organization under chapter 608, or for a limited liability~~
6451 ~~company subject to chapter 605~~ by amending its certificate of
6452 organization in the manner required for an original organization
6453 under chapter 605. However, such an amendment, when filed with
6454 and accepted by the Department of State, shall remove such
6455 corporation or limited liability company from the provisions of
6456 this chapter including, but not limited to, the right to
6457 practice a profession. A change of business purpose shall not
6458 have any effect on the continued existence of the corporation or
6459 limited liability company.

6460 Section 28. Except as otherwise provided, this act shall
6461 take effect January 1, 2014.