

REFERENCE TITLE: **limited liability company act; revisions**

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

SB 1353

Introduced by
Senators Worsley: Brophy McGee, Pratt

AN ACT

**AMENDING SECTIONS 10-122.01 AND 10-130, ARIZONA REVISED STATUTES;
REPEALING TITLE 29, CHAPTER 4, ARIZONA REVISED STATUTES; AMENDING TITLE
29, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 7; RELATING TO LIMITED
LIABILITY COMPANIES.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 10-122.01, Arizona Revised Statutes, is amended
3 effective from and after August 31, 2019, to read:
4 10-122.01. Public access fund; purpose; exemption; money on
5 deposit account
6 A. ~~THE~~ public access fund is established. The commission shall
7 administer the fund. The fund consists of monies received pursuant to:
8 1. Section 10-122, subsections E, F, G, H and K.
9 2. Section 10-3122, subsections I and K.
10 3. Section 29-851, subsections E and F.
11 4. SECTION 29-3213, SUBSECTIONS E AND F.
12 B. Except as provided in subsection C of this section:
13 1. Monies in the fund are subject to legislative appropriation.
14 2. The commission shall spend monies in the fund for a part of the
15 general administrative and legal expenses of the commission and to
16 purchase, install and maintain an improved data processing system on the
17 premises of the commission. The data processing system shall be designed
18 to allow direct online access by any person at a remote location to all
19 public records that are filed with the commission pursuant to this title
20 and title 29, chapter 4.
21 3. When sufficient monies have been collected pursuant to section
22 10-122, subsections F, G and H, section 10-3122, subsection I and section
23 29-851, subsection E to pay for the purchase and installation of the data
24 processing system, the commission shall not charge and collect the fees
25 prescribed in section 10-122, subsection H or section 10-3122,
26 subsection H.
27 4. Monies in the fund are exempt from the provisions of section
28 35-190 relating to lapsing of appropriations, except that any unencumbered
29 monies in excess of two hundred thousand dollars at the end of each fiscal
30 year revert to the state general fund.
31 C. The money on deposit account is established in the public access
32 fund as a separate account consisting of monies received pursuant to
33 section 10-122, subsection K, section 10-3122, subsection K and section
34 29-851, subsection F. Monies in the money on deposit account:
35 1. Are held in trust by the commission.
36 2. May be withdrawn by the commission only:
37 (a) To cover fees that are due pursuant to this title or title 29,
38 chapter 4 on delivery of documents for filing or on a request for services
39 by a person who advanced monies to the commission pursuant to section
40 10-122, subsection K, section 10-3122, subsection K or section 29-851,
41 subsection F.
42 (b) To refund the monies advanced in subdivision (a) of this
43 paragraph if the person who requested services pursuant to subdivision (a)
44 of this paragraph requests the refund.

1 (c) For the disposition of unclaimed property pursuant to title 44,
2 chapter 3.

3 3. Are not subject to either:

4 (a) Legislative appropriation.

5 (b) Reversion to the state general fund.

6 Sec. 2. Section 10-130, Arizona Revised Statutes, is amended
7 effective from and after August 31, 2019, to read:

8 10-130. Powers; duties; database

9 A. The commission has the power and authority reasonably necessary
10 to enable it to administer this title efficiently and to perform the
11 duties imposed on it by this title, including the power and authority to
12 make rules for those purposes.

13 B. The commission shall establish and maintain a database for
14 documents filed pursuant to sections 10-203, 10-1006, 10-1007, 10-1008,
15 10-1105, 10-1403, 10-1503, 10-1520, 10-2077, 10-2143, 10-3203, 10-11006,
16 10-11007, 10-11008, 10-11105, 10-11403, 10-11503, 10-11520, 29-633,
17 29-635, ~~and~~ 29-754, 29-3201, 29-3202 AND 29-4005. The database shall only
18 include documents that are filed for ~~an entity~~ A CORPORATION with a known
19 place of business that is located in a county with a population of more
20 than eight hundred thousand persons AND FOR A LIMITED LIABILITY COMPANY
21 WHOSE STATUTORY AGENT'S STREET ADDRESS IS LOCATED IN A COUNTY WITH A
22 POPULATION OF MORE THAN EIGHT HUNDRED THOUSAND PERSONS. The commission
23 shall post the database on its website to allow the public to search for
24 business information, including an entity's name, approval date and county
25 of the known place of business. The information must be maintained in the
26 database for at least ninety days. The commission may charge a fee to any
27 entity for information entered into the database pursuant to this
28 subsection.

29 Sec. 3. Delayed repeal

30 Title 29, chapter 4, Arizona Revised Statutes, is repealed from and
31 after August 31, 2020.

32 Sec. 4. Title 29, Arizona Revised Statutes, is amended effective
33 from and after August 31, 2019, by adding chapter 7, to read:

34 CHAPTER 7

35 ARIZONA LIMITED LIABILITY COMPANY ACT

36 ARTICLE 1. GENERAL PROVISIONS

37 29-3101. Short title

38 THIS CHAPTER MAY BE CITED AS THE "ARIZONA LIMITED LIABILITY COMPANY
39 ACT".

40 29-3102. Definitions

41 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

42 1. "ARTICLES OF ORGANIZATION" MEANS THE ARTICLES REQUIRED BY
43 SECTION 29-3201. ARTICLES OF ORGANIZATION INCLUDES THE ARTICLES AS
44 AMENDED OR RESTATED.

45 2. "COMMISSION" MEANS THE CORPORATION COMMISSION.

1 3. "CONTRIBUTION" MEANS PROPERTY OR A BENEFIT DESCRIBED IN SECTION
2 29-3402 THAT IS PROVIDED BY A PERSON TO A LIMITED LIABILITY COMPANY TO
3 BECOME A MEMBER OR IN THE PERSON'S CAPACITY AS A MEMBER.

4 4. "DEBTOR IN BANKRUPTCY" MEANS A PERSON THAT IS THE SUBJECT OF
5 EITHER OF THE FOLLOWING:

6 (a) AN ORDER FOR RELIEF UNDER TITLE 11 OF THE UNITED STATES CODE OR
7 A COMPARABLE ORDER UNDER A SUCCESSOR STATUTE OF GENERAL APPLICATION.

8 (b) A COMPARABLE ORDER UNDER FEDERAL, STATE OR FOREIGN LAW
9 GOVERNING INSOLVENCY.

10 5. "DESIGNATING FOREIGN COMPANY" MEANS, WITH RESPECT TO ANY FOREIGN
11 SERIES, THE FOREIGN LIMITED LIABILITY COMPANY THAT DESIGNATED OR OTHERWISE
12 ESTABLISHED THE FOREIGN SERIES IN ACCORDANCE WITH THE LAW OF ITS
13 JURISDICTION OF FORMATION.

14 6. "DISTRIBUTION":

15 (a) MEANS A TRANSFER OF MONEY OR OTHER PROPERTY FROM A LIMITED
16 LIABILITY COMPANY TO A PERSON ON ACCOUNT OF A TRANSFERABLE INTEREST OR IN
17 THE PERSON'S CAPACITY AS A MEMBER.

18 (b) INCLUDES BOTH OF THE FOLLOWING:

19 (i) A REDEMPTION OR OTHER PURCHASE BY A LIMITED LIABILITY COMPANY
20 OF A TRANSFERABLE INTEREST.

21 (ii) A TRANSFER TO A MEMBER IN RETURN FOR THE MEMBER'S
22 RELINQUISHMENT OF ANY RIGHT TO PARTICIPATE AS A MEMBER IN THE MANAGEMENT
23 OR CONDUCT OF THE COMPANY'S ACTIVITIES AND AFFAIRS OR TO HAVE ACCESS TO
24 RECORDS OR OTHER INFORMATION CONCERNING THE COMPANY'S ACTIVITIES AND
25 AFFAIRS.

26 (c) DOES NOT INCLUDE AMOUNTS CONSTITUTING REASONABLE COMPENSATION
27 FOR PRESENT OR PAST SERVICE OR PAYMENTS MADE IN THE ORDINARY COURSE OF
28 BUSINESS UNDER A BONA FIDE RETIREMENT PLAN OR ANOTHER BONA FIDE BENEFITS
29 PROGRAM.

30 7. "FOREIGN LIMITED LIABILITY COMPANY" MEANS AN UNINCORPORATED
31 ENTITY THAT IS FORMED UNDER THE LAW OF A JURISDICTION OTHER THAN THIS
32 STATE AND THAT WOULD BE A LIMITED LIABILITY COMPANY IF THE UNINCORPORATED
33 ENTITY WERE FORMED UNDER THE LAW OF THIS STATE AND INCLUDES A FOREIGN
34 SERIES FOR THE PURPOSES OF THIS ARTICLE.

35 8. "FOREIGN SERIES" MEANS A SERIES OF A FOREIGN LIMITED LIABILITY
36 COMPANY THAT HAS BEEN ESTABLISHED AS SUCH IN ACCORDANCE WITH THE LAW OF A
37 JURISDICTION OTHER THAN THIS STATE.

38 9. "JURISDICTION", WHEN USED TO REFER TO A POLITICAL ENTITY, MEANS
39 THE UNITED STATES, A STATE, A FOREIGN COUNTRY OR A POLITICAL SUBDIVISION
40 OF A FOREIGN COUNTRY.

41 10. "JURISDICTION OF FORMATION" MEANS THE JURISDICTION WHOSE LAW
42 GOVERNS THE INTERNAL AFFAIRS OF AN ENTITY.

43 11. "LIMITED LIABILITY COMPANY", EXCEPT WHEN USED IN THE PHRASE
44 FOREIGN LIMITED LIABILITY COMPANY AND IN ARTICLE 10 OF THIS CHAPTER:

1 (a) MEANS AN ENTITY THAT IS FORMED UNDER THIS CHAPTER OR THAT
2 BECOMES SUBJECT TO THIS CHAPTER UNDER ARTICLE 10 OF THIS CHAPTER OR
3 SECTION 29-3110.

4 (b) INCLUDES A LIMITED LIABILITY COMPANY WITH A SINGLE MEMBER.

5 12. "MAJORITY IN INTEREST OF THE MEMBERS" MEANS, AT ANY PARTICULAR
6 TIME, ONE OR MORE MEMBERS THAT HOLD IN THE AGGREGATE A MAJORITY OF THE
7 INTERESTS IN THE LIMITED LIABILITY COMPANY'S PROFITS HELD AT THAT TIME BY
8 ALL MEMBERS, DISREGARDING ANY PROFIT INTERESTS HELD BY PERSONS THAT ARE
9 NOT MEMBERS. THE MEMBERS' RESPECTIVE INTERESTS IN THE COMPANY'S PROFITS
10 ARE IN PROPORTION TO THEIR RIGHTS TO SHARE IN DISTRIBUTIONS THAT EXCEED
11 THE REPAYMENT OF THEIR CONTRIBUTIONS ON DISSOLUTION AND WINDING UP OF THE
12 COMPANY.

13 13. "MANAGER" MEANS A PERSON THAT UNDER THE OPERATING AGREEMENT OF
14 A MANAGER-MANAGED LIMITED LIABILITY COMPANY IS RESPONSIBLE, ALONE OR IN
15 CONCERT WITH OTHERS, FOR PERFORMING THE MANAGEMENT FUNCTIONS STATED IN
16 SECTION 29-3407, SUBSECTION C.

17 14. "MANAGER-MANAGED LIMITED LIABILITY COMPANY" MEANS A LIMITED
18 LIABILITY COMPANY THAT QUALIFIES UNDER SECTION 29-3407, SUBSECTION A.

19 15. "MEMBER" MEANS A PERSON THAT BOTH:

20 (a) HAS BECOME A MEMBER OF A LIMITED LIABILITY COMPANY UNDER
21 SECTION 29-3401 OR WAS A MEMBER IN A COMPANY WHEN THE COMPANY BECAME
22 SUBJECT TO THIS CHAPTER UNDER SECTION 29-3110.

23 (b) HAS NOT DISSOCIATED UNDER SECTION 29-3602.

24 16. "MEMBER-MANAGED LIMITED LIABILITY COMPANY" MEANS A LIMITED
25 LIABILITY COMPANY THAT IS NOT A MANAGER-MANAGED LIMITED LIABILITY COMPANY.

26 17. "OPERATING AGREEMENT" MEANS THE AGREEMENT, WHETHER OR NOT
27 REFERRED TO AS AN OPERATING AGREEMENT AND WHETHER ORAL, IMPLIED, IN A
28 RECORD OR IN ANY COMBINATION THEREOF, OF ALL THE MEMBERS OF A LIMITED
29 LIABILITY COMPANY, INCLUDING A SOLE MEMBER, CONCERNING THE MATTERS
30 DESCRIBED IN SECTION 29-3105, SUBSECTION A. OPERATING AGREEMENT INCLUDES
31 THE AGREEMENT AS AMENDED OR RESTATED.

32 18. "ORGANIZER" MEANS A PERSON THAT ACTS UNDER SECTION 29-3201 TO
33 FORM A LIMITED LIABILITY COMPANY.

34 19. "PERSON" MEANS AN INDIVIDUAL, BUSINESS CORPORATION, NONPROFIT
35 CORPORATION, PARTNERSHIP, LIMITED PARTNERSHIP, LIMITED LIABILITY COMPANY,
36 GENERAL COOPERATIVE ASSOCIATION, LIMITED COOPERATIVE ASSOCIATION,
37 UNINCORPORATED NONPROFIT ASSOCIATION, STATUTORY TRUST, BUSINESS TRUST,
38 COMMON-LAW BUSINESS TRUST, ESTATE, TRUST, ASSOCIATION, JOINT VENTURE,
39 PUBLIC CORPORATION OR GOVERNMENT OR GOVERNMENTAL SUBDIVISION, AGENCY OR
40 INSTRUMENTALITY OR ANY OTHER LEGAL OR COMMERCIAL ENTITY.

41 20. "PRINCIPAL ADDRESS" MEANS THE MAILING ADDRESS OF A LIMITED
42 LIABILITY COMPANY OR FOREIGN LIMITED LIABILITY COMPANY, WHETHER OR NOT
43 LOCATED IN THIS STATE.

44 21. "PROPERTY" MEANS ALL PROPERTY, WHETHER REAL, PERSONAL OR MIXED
45 OR TANGIBLE OR INTANGIBLE, OR ANY RIGHT OR INTEREST THEREIN.

1 22. "RECORD" MEANS INFORMATION THAT IS INSCRIBED ON A TANGIBLE
2 MEDIUM OR THAT IS STORED IN AN ELECTRONIC OR OTHER MEDIUM AND THAT IS
3 RETRIEVABLE IN A PERCEIVABLE FORM.

4 23. "REGISTERED FOREIGN LIMITED LIABILITY COMPANY":

5 (a) MEANS A FOREIGN LIMITED LIABILITY COMPANY THAT IS REGISTERED TO
6 DO BUSINESS IN THIS STATE PURSUANT TO A STATEMENT OF REGISTRATION FILED BY
7 THE COMMISSION.

8 (b) INCLUDES A REGISTERED FOREIGN SERIES FOR THE PURPOSES OF THIS
9 ARTICLE.

10 24. "REGISTERED FOREIGN SERIES" MEANS A FOREIGN SERIES THAT IS
11 REGISTERED TO DO BUSINESS IN THIS STATE PURSUANT TO A STATEMENT OF
12 REGISTRATION FILED BY THE COMMISSION.

13 25. "SIGN" MEANS, WITH PRESENT INTENT TO AUTHENTICATE OR ADOPT A
14 RECORD, TO EITHER:

15 (a) EXECUTE OR ADOPT A TANGIBLE SYMBOL.

16 (b) ATTACH TO OR LOGICALLY ASSOCIATE WITH THE RECORD AN ELECTRONIC
17 SYMBOL, SOUND OR PROCESS.

18 26. "STATE" MEANS A STATE OF THE UNITED STATES, THE DISTRICT OF
19 COLUMBIA, PUERTO RICO, THE UNITED STATES VIRGIN ISLANDS OR ANY TERRITORY
20 OR INSULAR POSSESSION SUBJECT TO THE JURISDICTION OF THE UNITED STATES.

21 27. "STATUTORY AGENT" MEANS THE AGENT OF A LIMITED LIABILITY
22 COMPANY OR FOREIGN LIMITED LIABILITY COMPANY THAT IS AUTHORIZED TO RECEIVE
23 SERVICE OF ANY PROCESS, NOTICE OR DEMAND REQUIRED OR PERMITTED BY LAW TO
24 BE SERVED ON THE COMPANY.

25 28. "TRANSFER" INCLUDES:

26 (a) AN ASSIGNMENT.

27 (b) A CONVEYANCE.

28 (c) A SALE.

29 (d) A LEASE.

30 (e) AN ENCUMBRANCE, INCLUDING A MORTGAGE OR SECURITY INTEREST.

31 (f) A GIFT.

32 (g) A TRANSFER BY OPERATION OF LAW.

33 29. "TRANSFERABLE INTEREST" MEANS THE RIGHT, AS INITIALLY OWNED BY
34 A PERSON IN THE PERSON'S CAPACITY AS A MEMBER, TO RECEIVE DISTRIBUTIONS
35 FROM A LIMITED LIABILITY COMPANY, WHETHER OR NOT THE PERSON REMAINS A
36 MEMBER OR CONTINUES TO OWN ANY PART OF THE RIGHT, AND APPLIES TO ANY
37 FRACTION OF THE INTEREST, BY WHOMEVER OWNED.

38 30. "TRANSFeree":

39 (a) MEANS A PERSON TO WHICH ALL OR PART OF A TRANSFERABLE INTEREST
40 HAS BEEN TRANSFERRED, WHETHER OR NOT THE TRANSFEROR IS A MEMBER.

41 (b) INCLUDES A PERSON THAT OWNS A TRANSFERABLE INTEREST UNDER
42 SECTION 29-3603, SUBSECTION A, PARAGRAPH 3.

43 29-3103. Knowledge; notice

44 A. A PERSON KNOWS A FACT IF THE PERSON EITHER:

45 1. HAS ACTUAL KNOWLEDGE OF THE FACT.

1 2. IS DEEMED TO KNOW THE FACT UNDER LAW OTHER THAN THIS CHAPTER.
2 B. A PERSON HAS NOTICE OF A FACT IF THE PERSON EITHER:
3 1. HAS REASON TO KNOW THE FACT FROM ALL OF THE FACTS KNOWN TO THE
4 PERSON AT THE TIME IN QUESTION.
5 2. IS DEEMED TO HAVE NOTICE OF THE FACT UNDER SUBSECTION D OF THIS
6 SECTION.
7 C. SUBJECT TO SECTION 29-3210, SUBSECTION F, A PERSON NOTIFIES
8 ANOTHER PERSON OF A FACT BY TAKING STEPS REASONABLY REQUIRED TO INFORM THE
9 OTHER PERSON IN ORDINARY COURSE, WHETHER OR NOT THOSE STEPS CAUSE THE
10 OTHER PERSON TO KNOW THE FACT.
11 D. A PERSON THAT IS NOT A MEMBER IS DEEMED TO HAVE NOTICE OF A
12 LIMITED LIABILITY COMPANY'S:
13 1. DISSOLUTION NINETY DAYS AFTER A NOTICE OF WINDING UP UNDER
14 SECTION 29-3702, SUBSECTION B, PARAGRAPH 2, SUBDIVISION (a) BECOMES
15 EFFECTIVE.
16 2. TERMINATION NINETY DAYS AFTER THE ARTICLES OF TERMINATION UNDER
17 SECTION 29-3702, SUBSECTION B, PARAGRAPH 2, SUBDIVISION (f) BECOME
18 EFFECTIVE.
19 3. PARTICIPATION IN A MERGER, INTEREST EXCHANGE, CONVERSION,
20 DOMESTICATION OR DIVISION NINETY DAYS AFTER A STATEMENT OF MERGER,
21 INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION UNDER ARTICLE 10
22 OF THIS CHAPTER BECOME EFFECTIVE.
23 29-3104. Governing law
24 THE LAW OF THIS STATE GOVERNS BOTH OF THE FOLLOWING:
25 1. THE INTERNAL AFFAIRS OF A LIMITED LIABILITY COMPANY.
26 2. THE LIABILITY OF A MEMBER AS MEMBER AND A MANAGER AS MANAGER FOR
27 A DEBT, AN OBLIGATION OR ANOTHER LIABILITY OF A LIMITED LIABILITY COMPANY.
28 29-3105. Operating agreement; scope, function and limitations
29 A. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS C AND D OF THIS
30 SECTION:
31 1. THE OPERATING AGREEMENT GOVERNS ALL OF THE FOLLOWING:
32 (a) RELATIONS AMONG THE MEMBERS AS MEMBERS AND BETWEEN THE MEMBERS
33 AND THE LIMITED LIABILITY COMPANY.
34 (b) THE RIGHTS AND DUTIES UNDER THIS CHAPTER OF A PERSON IN THE
35 CAPACITY OF MANAGER.
36 (c) THE ACTIVITIES AND AFFAIRS OF THE COMPANY AND THE CONDUCT OF
37 THOSE ACTIVITIES AND AFFAIRS.
38 (d) THE MEANS AND CONDITIONS OF AMENDING THE AGREEMENT.
39 2. THE OPERATING AGREEMENT MAY CONTAIN ANY PROVISION THAT IS NOT
40 CONTRARY TO LAW.
41 3. IN THE EVENT OF A CONFLICT BETWEEN A PROVISION OF THE OPERATING
42 AGREEMENT AND THIS CHAPTER, THE PROVISION OF THE OPERATING AGREEMENT
43 GOVERNS.

1 B. TO THE EXTENT THE OPERATING AGREEMENT DOES NOT PROVIDE FOR A
2 MATTER DESCRIBED IN SUBSECTION A OF THIS SECTION, THIS CHAPTER GOVERNS THE
3 MATTER.

4 C. AN OPERATING AGREEMENT MAY NOT:

5 1. VARY THE LAW APPLICABLE UNDER SECTION 29-3104.

6 2. VARY A LIMITED LIABILITY COMPANY'S CAPACITY UNDER SECTION
7 29-3109 TO SUE AND BE SUED IN THE LIMITED LIABILITY COMPANY'S OWN NAME.

8 3. VARY ANY REQUIREMENT, PROCEDURE OR OTHER PROVISION OF THIS
9 CHAPTER PERTAINING TO:

10 (a) STATUTORY AGENTS.

11 (b) THE COMMISSION, INCLUDING PROVISIONS PERTAINING TO RECORDS
12 AUTHORIZED OR REQUIRED TO BE DELIVERED TO THE COMMISSION FOR FILING UNDER
13 THIS CHAPTER.

14 4. VARY THE PROVISIONS OF SECTION 29-3204.

15 5. ELIMINATE THE CONTRACTUAL OBLIGATION OF GOOD FAITH AND FAIR
16 DEALING OR THE DUTY TO REFRAIN FROM WILFUL OR INTENTIONAL MISCONDUCT UNDER
17 SECTION 29-3409.

18 6. LIMIT OR ELIMINATE A PERSON'S LIABILITY FOR ANY VIOLATION OF THE
19 CONTRACTUAL OBLIGATION OF GOOD FAITH AND FAIR DEALING OR CONDUCT INVOLVING
20 WILFUL OR INTENTIONAL MISCONDUCT.

21 7. UNREASONABLY RESTRICT THE DUTIES AND RIGHTS OF MEMBERS AND
22 MANAGERS UNDER SECTION 29-3410, BUT THE OPERATING AGREEMENT MAY IMPOSE
23 REASONABLE RESTRICTIONS ON THE AVAILABILITY AND USE OF INFORMATION
24 OBTAINED UNDER SECTION 29-3410 AND MAY DEFINE APPROPRIATE REMEDIES,
25 INCLUDING LIQUIDATED DAMAGES, FOR A BREACH OF ANY REASONABLE RESTRICTION
26 ON USE.

27 8. VARY THE CAUSES OF DISSOLUTION SPECIFIED IN SECTION 29-3701,
28 SUBSECTION A, PARAGRAPH 4, SUBDIVISION (b) AND SECTION 29-3701, SUBSECTION
29 A, PARAGRAPH 5.

30 9. UNREASONABLY RESTRICT THE RIGHT OF A MEMBER TO MAINTAIN AN
31 ACTION UNDER ARTICLE 8 OF THIS CHAPTER, EXCEPT THAT THE OPERATING
32 AGREEMENT MAY REQUIRE A MEMBER MAINTAINING A DIRECT ACTION UNDER SECTION
33 29-3801 TO PLEAD AND PROVE AN ACTUAL OR THREATENED INJURY THAT IS NOT
34 SOLELY THE RESULT OF ANY INJURY SUFFERED OR THREATENED TO BE SUFFERED BY
35 THE COMPANY.

36 10. VARY THE PROVISIONS OF SECTION 29-3805, BUT THE OPERATING
37 AGREEMENT MAY PROVIDE THAT THE COMPANY MAY NOT HAVE A SPECIAL LITIGATION
38 COMMITTEE.

39 11. VARY THE REQUIRED CONTENTS OF A PLAN OF MERGER, A PLAN OF
40 INTEREST EXCHANGE, A PLAN OF CONVERSION, A PLAN OF DOMESTICATION OR A PLAN
41 OF DIVISION UNDER ARTICLE 10 OF THIS CHAPTER.

42 12. EXCEPT AS OTHERWISE PROVIDED IN SECTION 29-3106 AND SECTION
43 29-3107, SUBSECTION B, RESTRICT THE RIGHTS UNDER THIS CHAPTER OF A PERSON
44 OTHER THAN A MEMBER OR MANAGER.

1 13. REDUCE OR ELIMINATE THE RESTRICTIONS ON DISTRIBUTIONS UNDER
2 SECTION 29-3405, SUBSECTION A.

3 D. SUBJECT TO SUBSECTION C, PARAGRAPHS 5 AND 6 OF THIS SECTION,
4 WITHOUT LIMITING OTHER TERMS THAT MAY BE INCLUDED IN AN OPERATING
5 AGREEMENT, THE FOLLOWING APPLY:

6 1. TO THE EXTENT THAT, AT LAW OR IN EQUITY, A MEMBER OR MANAGER OR
7 OTHER PERSON HAS DUTIES, INCLUDING THE DUTY OF CARE, THE DUTY OF LOYALTY
8 AND ANY OTHER FIDUCIARY DUTY, TO A LIMITED LIABILITY COMPANY, TO ANOTHER
9 MEMBER OR MANAGER OR TO ANOTHER PERSON THAT IS A PARTY TO OR IS OTHERWISE
10 BOUND BY AN OPERATING AGREEMENT, THE MEMBER'S, MANAGER'S OR OTHER PERSON'S
11 DUTIES MAY BE EXPANDED, LIMITED OR ELIMINATED BY THE OPERATING AGREEMENT.

12 2. AN OPERATING AGREEMENT MAY PROVIDE FOR THE LIMITATION OR
13 ELIMINATION OF ANY OR ALL LIABILITIES FOR BREACH OF THE OPERATING
14 AGREEMENT OR BREACH OF DUTIES, INCLUDING THE DUTY OF CARE, THE DUTY OF
15 LOYALTY AND ANY OTHER FIDUCIARY DUTY, AS EXPANDED, LIMITED OR ELIMINATED
16 IN THE OPERATING AGREEMENT, OF A MEMBER, MANAGER OR OTHER PERSON TO A
17 COMPANY OR TO ANOTHER MEMBER OR MANAGER OR ANOTHER PERSON THAT IS A PARTY
18 TO OR IS OTHERWISE BOUND BY THE OPERATING AGREEMENT.

19 3. AN OPERATING AGREEMENT MAY SPECIFY A METHOD BY WHICH A SPECIFIC
20 ACT, OMISSION OR TRANSACTION, OR A SPECIFIC CATEGORY OF ACTS, OMISSIONS OR
21 TRANSACTIONS, THAT WOULD OTHERWISE VIOLATE A DUTY, INCLUDING THE DUTY OF
22 CARE, THE DUTY OF LOYALTY AND ANY OTHER FIDUCIARY DUTY, AS EXPANDED,
23 LIMITED OR ELIMINATED IN THE OPERATING AGREEMENT, MAY BE AUTHORIZED OR
24 RATIFIED. A GENERAL PROVISION IN AN OPERATING AGREEMENT THAT PROVIDES FOR
25 MANAGEMENT BY ONE OR MORE MEMBERS OR MANAGERS, WITHOUT MORE, IS NOT
26 SUFFICIENT TO SPECIFY A METHOD FOR AUTHORIZATION OR RATIFICATION UNDER
27 THIS PARAGRAPH.

28 4. AN OPERATING AGREEMENT MAY SPECIFY A METHOD BY WHICH A MEMBER,
29 MANAGER OR OTHER PERSON MAY BE REIMBURSED, INDEMNIFIED OR HELD HARMLESS,
30 OR BY WHICH THE LIABILITY OF A MEMBER, MANAGER OR OTHER PERSON MAY BE
31 LIMITED OR ELIMINATED, FOR A SPECIFIC ACT, OMISSION OR TRANSACTION, OR A
32 SPECIFIC CATEGORY OF ACTS, OMISSIONS OR TRANSACTIONS, THAT WOULD OTHERWISE
33 VIOLATE A DUTY, INCLUDING THE DUTY OF CARE, THE DUTY OF LOYALTY AND ANY
34 OTHER FIDUCIARY DUTY, AS EXPANDED, LIMITED OR ELIMINATED IN THE OPERATING
35 AGREEMENT. A GENERAL PROVISION IN AN OPERATING AGREEMENT THAT PROVIDES
36 FOR MANAGEMENT BY ONE OR MORE MEMBERS OR MANAGERS, WITHOUT MORE, IS NOT
37 SUFFICIENT TO SPECIFY A METHOD FOR REIMBURSING, INDEMNIFYING OR HOLDING
38 HARMLESS A PERSON OR LIMITING OR ELIMINATING A PERSON'S LIABILITY UNDER
39 THIS PARAGRAPH.

40 E. SUBJECT TO THE LIMITATIONS OF SUBSECTION C, PARAGRAPHS 5 AND 6
41 OF THIS SECTION, AN OPERATING AGREEMENT MAY DEFINE SOME OR ALL OF THE
42 FIDUCIARY DUTIES OF A MEMBER, MANAGER OR OTHER PERSON THAT IS A PARTY TO
43 OR IS OTHERWISE BOUND BY AN OPERATING AGREEMENT TO BE THE SAME AS THE
44 FIDUCIARY DUTIES OF A DIRECTOR, OFFICER OR SHAREHOLDER OF A CORPORATION
45 FORMED UNDER THE LAWS OF THIS STATE, IN WHICH CASE, UNLESS THE OPERATING

1 AGREEMENT PROVIDES OTHERWISE, ALL LAWS OF EVIDENCE AND EVIDENTIARY
2 PRESUMPTIONS AND OTHER LAWS THAT APPLY TO THE FIDUCIARY DUTIES OF A
3 DIRECTOR, OFFICER OR SHAREHOLDER OF A CORPORATION FORMED UNDER THE LAWS OF
4 THIS STATE APPLY TO SUCH DUTIES.

5 29-3106. Operating agreement; effect on limited liability
6 company and persons becoming members; preformation
7 agreement

8 A. A LIMITED LIABILITY COMPANY IS BOUND BY AND MAY ENFORCE THE
9 OPERATING AGREEMENT, WHETHER OR NOT THE COMPANY HAS ITSELF MANIFESTED
10 ASSENT TO THE OPERATING AGREEMENT.

11 B. A PERSON THAT BECOMES A MEMBER IS DEEMED TO ASSENT TO THE
12 OPERATING AGREEMENT.

13 C. TWO OR MORE PERSONS INTENDING TO BECOME THE INITIAL MEMBERS OF A
14 LIMITED LIABILITY COMPANY MAY MAKE AN AGREEMENT PROVIDING THAT ON THE
15 FORMATION OF THE COMPANY THE AGREEMENT WILL BECOME THE OPERATING
16 AGREEMENT. ONE PERSON INTENDING TO BECOME THE INITIAL MEMBER OF A LIMITED
17 LIABILITY COMPANY MAY ASSENT TO TERMS PROVIDING THAT ON THE FORMATION OF
18 THE COMPANY THE TERMS WILL BECOME THE OPERATING AGREEMENT.

19 29-3107. Operating agreement; amendment; effect on third
20 parties and relationship to records effective on
21 behalf of limited liability company

22 A. AN OPERATING AGREEMENT MAY SPECIFY THAT ITS AMENDMENT REQUIRES
23 THE APPROVAL OF A PERSON THAT IS NOT A PARTY TO THE AGREEMENT OR THE
24 SATISFACTION OF A CONDITION. AN AMENDMENT IS INEFFECTIVE IF ITS ADOPTION
25 DOES NOT INCLUDE THE REQUIRED APPROVAL OR SATISFY THE SPECIFIED CONDITION.

26 B. THE OBLIGATIONS OF A LIMITED LIABILITY COMPANY AND ITS MEMBERS
27 TO A PERSON IN THE PERSON'S CAPACITY AS A TRANSFEREE OR A PERSON
28 DISSOCIATED AS A MEMBER ARE GOVERNED BY THE OPERATING AGREEMENT. SUBJECT
29 TO SECTION 29-3409, SUBSECTIONS D AND L, AN AMENDMENT TO THE OPERATING
30 AGREEMENT MADE AFTER A PERSON BECOMES A TRANSFEREE OR IS DISSOCIATED AS A
31 MEMBER:

32 1. IS EFFECTIVE WITH REGARD TO ANY DEBT, OBLIGATION OR OTHER
33 LIABILITY OF THE LIMITED LIABILITY COMPANY OR ITS MEMBERS TO THE PERSON IN
34 THE PERSON'S CAPACITY AS A TRANSFEREE OR PERSON DISSOCIATED AS A MEMBER.

35 2. IS NOT EFFECTIVE TO THE EXTENT THE AMENDMENT IMPOSES A NEW DEBT,
36 OBLIGATION OR OTHER LIABILITY ON THE TRANSFEREE OR PERSON DISSOCIATED AS A
37 MEMBER.

38 C. IF A RECORD DELIVERED BY A LIMITED LIABILITY COMPANY TO THE
39 COMMISSION FOR FILING BECOMES EFFECTIVE AND CONTAINS A PROVISION THAT
40 WOULD BE INEFFECTIVE UNDER SECTION 29-3105, SUBSECTION C IF CONTAINED IN
41 THE OPERATING AGREEMENT, THE PROVISION IS INEFFECTIVE IN THE RECORD.

42 D. SUBJECT TO SUBSECTION C OF THIS SECTION, IF A RECORD DELIVERED
43 BY A LIMITED LIABILITY COMPANY TO THE COMMISSION FOR FILING BECOMES
44 EFFECTIVE AND CONFLICTS WITH A PROVISION OF THE OPERATING AGREEMENT:

1 1. THE AGREEMENT PREVAILS AS TO MEMBERS, PERSONS DISSOCIATED AS
2 MEMBERS, TRANSFEREES AND MANAGERS.

3 2. THE RECORD PREVAILS AS TO OTHER PERSONS TO THE EXTENT THEY
4 REASONABLY RELY ON THE RECORD.

5 29-3108. Nature, purpose and duration of limited liability
6 company

7 A. A LIMITED LIABILITY COMPANY IS AN ENTITY DISTINCT FROM ITS
8 MEMBER OR MEMBERS.

9 B. EXCEPT AS PROVIDED IN SUBSECTIONS C AND D OF THIS SECTION, A
10 LIMITED LIABILITY COMPANY MAY HAVE ANY LAWFUL PURPOSE, REGARDLESS OF
11 WHETHER THE PURPOSE IS FOR PROFIT.

12 C. A LIMITED LIABILITY COMPANY MAY NOT ENGAGE IN THE BUSINESS OF
13 BANKING.

14 D. A LIMITED LIABILITY COMPANY MAY NOT BE AN INSURER AS DEFINED IN
15 SECTION 20-104 UNLESS AS A TITLE INSURANCE AGENT AS DEFINED IN SECTION
16 20-1562 OR AS A PURE CAPTIVE INSURER AS DEFINED IN SECTION 20-1098 THAT IS
17 EXPRESSLY AUTHORIZED BY THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
18 PURSUANT TO TITLE 20. FOR THE PURPOSES OF TITLE INSURANCE TRANSACTIONS OR
19 PURE CAPTIVE INSURANCE BUSINESS, THE MEMBERS OF THE COMPANY ARE
20 INDIVIDUALLY RESPONSIBLE, EQUALLY AND RATABLY, AND NOT ONE FOR ANOTHER,
21 FOR ALL CONTRACTS, DEBTS AND ENGAGEMENTS OF THE COMPANY, TO THE EXTENT OF
22 THE AMOUNT OF EACH MEMBER'S INITIAL INVESTMENT IN THE COMPANY.

23 E. A LIMITED LIABILITY COMPANY HAS PERPETUAL DURATION.

24 29-3109. Powers

25 A LIMITED LIABILITY COMPANY HAS THE CAPACITY TO SUE AND BE SUED IN
26 ITS OWN NAME AND THE POWER TO DO ALL THINGS NECESSARY OR CONVENIENT TO
27 CARRY ON ITS ACTIVITIES AND AFFAIRS.

28 29-3110. Application to existing relationships

29 A. BEFORE SEPTEMBER 1, 2020, THIS CHAPTER APPLIES ONLY TO THE
30 FOLLOWING:

31 1. A LIMITED LIABILITY COMPANY THAT IS FORMED, CONVERTED OR
32 DOMESTICATED ON OR AFTER SEPTEMBER 1, 2019 OR A REGISTERED FOREIGN LIMITED
33 LIABILITY COMPANY THAT IS REGISTERED IN THIS STATE ON OR AFTER SEPTEMBER
34 1, 2019.

35 2. A LIMITED LIABILITY COMPANY THAT IS FORMED, CONVERTED OR
36 DOMESTICATED BEFORE SEPTEMBER 1, 2019 AND THAT ELECTS, IN THE MANNER
37 PROVIDED IN ITS OPERATING AGREEMENT OR BY LAW FOR AMENDING THE OPERATING
38 AGREEMENT, TO BE SUBJECT TO THIS CHAPTER.

39 B. ON AND AFTER SEPTEMBER 1, 2020, THIS CHAPTER APPLIES TO ALL
40 LIMITED LIABILITY COMPANIES AND FOREIGN LIMITED LIABILITY COMPANIES.

41 C. FOR THE PURPOSES OF APPLYING THIS CHAPTER TO:

42 1. A LIMITED LIABILITY COMPANY FORMED BEFORE SEPTEMBER 1, 2019, THE
43 COMPANY'S KNOWN PLACE OF BUSINESS IS DEEMED TO BE ITS PRINCIPAL ADDRESS.

44 2. A REGISTERED FOREIGN LIMITED LIABILITY COMPANY THAT IS
45 REGISTERED, IN THIS STATE BEFORE SEPTEMBER 1, 2019, THE ADDRESS OF THE

1 FOREIGN COMPANY SPECIFIED IN THE FOREIGN COMPANY'S CERTIFICATE OF
2 REGISTRATION IS DEEMED TO BE ITS PRINCIPAL ADDRESS.

3 D. THIS CHAPTER DOES NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF
4 ANY PROVISION OF AN OPERATING AGREEMENT THAT WAS VALID OR ENFORCEABLE
5 UNDER ANY PRIOR STATUTE THAT WAS IN EFFECT AT THE TIME THE PROVISION
6 BECAME PART OF THE OPERATING AGREEMENT.

7 29-3111. Supplemental principles of law and equity

8 UNLESS DISPLACED BY PARTICULAR PROVISIONS OF THIS CHAPTER, THE
9 PRINCIPLES OF LAW AND EQUITY SUPPLEMENT THIS CHAPTER.

10 29-3112. Permitted names

11 A. THE NAME OF A LIMITED LIABILITY COMPANY MUST CONTAIN THE PHRASE
12 "LIMITED LIABILITY COMPANY" OR "LIMITED COMPANY" OR THE ABBREVIATION
13 "L.L.C.", "LLC", "L.C." OR "LC" IN UPPERCASE OR LOWERCASE LETTERS.

14 B. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION D OF THIS SECTION,
15 THE NAME OF A LIMITED LIABILITY COMPANY AND THE NAME UNDER WHICH A FOREIGN
16 LIMITED LIABILITY COMPANY MAY REGISTER TO DO BUSINESS IN THIS STATE MUST
17 BE DISTINGUISHABLE ON THE RECORDS OF THE COMMISSION OR THE SECRETARY OF
18 STATE FROM ANY OF THE FOLLOWING:

19 1. THE NAME OF AN EXISTING PERSON WHOSE FORMATION REQUIRED THE
20 FILING OF A RECORD BY THE COMMISSION OR THE SECRETARY OF STATE AND THAT IS
21 NOT AT THE TIME ADMINISTRATIVELY DISSOLVED.

22 2. THE NAME UNDER WHICH A PERSON IS REGISTERED TO DO BUSINESS IN
23 THIS STATE BY THE FILING OF A RECORD BY THE COMMISSION OR THE SECRETARY OF
24 STATE.

25 3. THE NAME RESERVED UNDER SECTION 29-3113 OR ANY OTHER LAW OF THIS
26 STATE PROVIDING FOR THE RESERVATION OF A NAME BY THE FILING OF A RECORD BY
27 THE COMMISSION OR THE SECRETARY OF STATE.

28 4. THE NAME REGISTERED UNDER SECTION 29-3114 OR ANY OTHER LAW OF
29 THIS STATE PROVIDING FOR THE REGISTRATION OF A NAME BY THE FILING OF A
30 RECORD BY THE COMMISSION OR THE SECRETARY OF STATE.

31 5. THE NAME REGISTERED UNDER SECTION 44-1460.

32 C. IF A PERSON CONSENTS IN A RECORD TO THE USE OF THE PERSON'S NAME
33 AND SUBMITS AN UNDERTAKING IN A FORM SATISFACTORY TO THE COMMISSION TO
34 CHANGE THE PERSON'S NAME TO A NAME THAT IS DISTINGUISHABLE ON THE RECORDS
35 OF THE COMMISSION OR THE SECRETARY OF STATE FROM ANY NAME IN ANY CATEGORY
36 OF NAMES IN SUBSECTION B OF THIS SECTION, THE NAME OF THE CONSENTING
37 PERSON MAY BE USED BY THE PERSON TO WHICH THE CONSENT WAS GIVEN.

38 D. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION E OF THIS SECTION, IN
39 DETERMINING WHETHER A NAME IS THE SAME AS OR NOT DISTINGUISHABLE ON THE
40 RECORDS OF THE COMMISSION OR THE SECRETARY OF STATE FROM THE NAME OF
41 ANOTHER PERSON, WORDS, PHRASES OR ABBREVIATIONS INDICATING A TYPE OF
42 PERSON, SUCH AS "CORPORATION", "CORP.", "INCORPORATED", "INC.",
43 "PROFESSIONAL CORPORATION", "P.C.", "PC", "PROFESSIONAL ASSOCIATION",
44 "P.A.", "PA", "LIMITED", "LTD.", "LIMITED PARTNERSHIP", "L.P.", "LP",
45 "LIMITED LIABILITY PARTNERSHIP", "L.L.P.", "LLP", "REGISTERED LIMITED

1 LIABILITY PARTNERSHIP", "R.L.L.P.", "RLLP", "LIMITED LIABILITY LIMITED
2 PARTNERSHIP", "L.L.L.P.", "LLLLP", "REGISTERED LIMITED LIABILITY LIMITED
3 PARTNERSHIP", "R.L.L.L.P.", "RLLLLP", "LIMITED LIABILITY COMPANY",
4 "L.L.C.", "LLC", "LIMITED COOPERATIVE ASSOCIATION", "LIMITED COOPERATIVE",
5 "L.C.A." OR "LCA", MAY NOT BE TAKEN INTO ACCOUNT.

6 E. THE NAME OF A LIMITED LIABILITY COMPANY OR FOREIGN LIMITED
7 LIABILITY COMPANY MAY NOT CONTAIN THE WORDS "ASSOCIATION", "CORPORATION"
8 OR "INCORPORATED" OR AN ABBREVIATION OF THESE WORDS. THE NAME OF A
9 LIMITED LIABILITY COMPANY OR FOREIGN LIMITED LIABILITY COMPANY MAY NOT
10 CONTAIN THE WORDS "BANK", "DEPOSIT", "CREDIT UNION", "TRUST" OR "TRUST
11 COMPANY" SEPARATELY OR IN COMBINATION TO INDICATE OR CONVEY THE IDEA THAT
12 THE COMPANY IS ENGAGED IN BANKING, CREDIT UNION OR TRUST BUSINESS UNLESS
13 THE COMPANY IS TO BE AND BECOMES ACTIVELY AND SUBSTANTIALLY ENGAGED IN THE
14 BANKING, CREDIT UNION OR TRUST BUSINESS OR THE COMPANY IS A HOLDING
15 COMPANY HOLDING SUBSTANTIAL INTEREST IN COMPANIES ACTIVELY AND
16 SUBSTANTIALLY ENGAGED IN THE BANKING, CREDIT UNION OR TRUST BUSINESS.

17 F. A LIMITED LIABILITY COMPANY OR FOREIGN LIMITED LIABILITY COMPANY
18 MAY USE A CONFLICTING NAME THAT IS NOT DISTINGUISHABLE FROM A NAME
19 DESCRIBED IN SUBSECTION B OF THIS SECTION IF THE COMPANY DELIVERS TO THE
20 COMMISSION A CERTIFIED COPY OF A FINAL JUDGEMENT OF A COURT OF COMPETENT
21 JURISDICTION ESTABLISHING THE RIGHT OF THE COMPANY TO USE THE NAME IN THIS
22 STATE.

23 G. THE NAME OF A FOREIGN SERIES REGISTERING TO DO BUSINESS IN THIS
24 STATE MUST INCLUDE THE WORD "SERIES".

25 29-3113. Reservation of name

26 A. A PERSON MAY RESERVE THE EXCLUSIVE USE OF A NAME THAT COMPLIES
27 WITH SECTION 29-3112 BY DELIVERING AN APPLICATION TO THE COMMISSION FOR
28 FILING. THE APPLICATION MUST STATE THE NAME AND ADDRESS OF THE APPLICANT
29 AND THE NAME TO BE RESERVED. IF THE COMMISSION FINDS THAT THE NAME IS
30 AVAILABLE, THE COMMISSION SHALL RESERVE THE NAME FOR THE APPLICANT'S
31 EXCLUSIVE USE FOR ONE HUNDRED TWENTY DAYS.

32 B. THE OWNER OF A RESERVED NAME MAY TRANSFER THE RESERVATION TO
33 ANOTHER PERSON BY DELIVERING TO THE COMMISSION A SIGNED NOTICE IN A RECORD
34 OF THE TRANSFER THAT STATES THE NAME AND ADDRESS OF THE PERSON TO WHICH
35 THE RESERVATION IS BEING TRANSFERRED.

36 29-3114. Registration of name

37 A. A FOREIGN LIMITED LIABILITY COMPANY NOT REGISTERED TO DO
38 BUSINESS IN THIS STATE UNDER ARTICLE 9 OF THIS CHAPTER MAY REGISTER ITS
39 NAME, OR AN ALTERNATE NAME ADOPTED PURSUANT TO SECTION 29-3906, IF THE
40 NAME IS DISTINGUISHABLE ON THE RECORDS OF THE COMMISSION OR THE SECRETARY
41 OF STATE FROM THE NAMES THAT ARE NOT AVAILABLE UNDER SECTION 29-3112.

42 B. TO REGISTER ITS NAME OR AN ALTERNATE NAME ADOPTED PURSUANT TO
43 SECTION 29-3906, A FOREIGN LIMITED LIABILITY COMPANY MUST DELIVER TO THE
44 COMMISSION FOR FILING AN APPLICATION STATING THE COMPANY'S NAME, THE
45 JURISDICTION AND THE DATE OF ITS FORMATION AND ANY ALTERNATE NAME ADOPTED

1 PURSUANT TO SECTION 29-3906. IF THE COMMISSION FINDS THAT THE NAME
2 APPLIED FOR IS AVAILABLE, THE COMMISSION SHALL REGISTER THE NAME FOR THE
3 APPLICANT'S EXCLUSIVE USE.

4 C. THE REGISTRATION OF A NAME UNDER THIS SECTION IS EFFECTIVE FOR
5 ONE YEAR AFTER THE DATE OF REGISTRATION.

6 D. A FOREIGN LIMITED LIABILITY COMPANY WHOSE NAME REGISTRATION IS
7 EFFECTIVE MAY RENEW THE REGISTRATION FOR SUCCESSIVE ONE-YEAR PERIODS BY
8 DELIVERING, NOT EARLIER THAN THREE MONTHS BEFORE THE EXPIRATION OF THE
9 REGISTRATION, TO THE COMMISSION FOR FILING A RENEWAL APPLICATION THAT
10 COMPLIES WITH THIS SECTION. WHEN FILED, THE RENEWAL APPLICATION RENEWS
11 THE REGISTRATION FOR A SUCCEEDING ONE-YEAR PERIOD.

12 E. A FOREIGN LIMITED LIABILITY COMPANY WHOSE NAME REGISTRATION IS
13 EFFECTIVE MAY REGISTER AS A FOREIGN LIMITED LIABILITY COMPANY UNDER THE
14 REGISTERED NAME OR CONSENT IN A SIGNED RECORD TO THE USE OF THAT NAME BY
15 ANOTHER PERSON THAT IS NOT AN INDIVIDUAL.

16 29-3115. Statutory agent

17 A. EACH LIMITED LIABILITY COMPANY AND EACH REGISTERED FOREIGN
18 LIMITED LIABILITY COMPANY SHALL DESIGNATE AND MAINTAIN A STATUTORY AGENT
19 IN THIS STATE. UNLESS THE STATUTORY AGENT SIGNED THE DOCUMENT MAKING THE
20 APPOINTMENT, THE APPOINTMENT OF A STATUTORY AGENT IS NOT EFFECTIVE UNTIL
21 THE AGENT OR THE COMPANY DELIVERS A RECORD TO THE COMMISSION SIGNED BY THE
22 AGENT ACCEPTING THE APPOINTMENT.

23 B. A STATUTORY AGENT FOR A LIMITED LIABILITY COMPANY OR REGISTERED
24 FOREIGN LIMITED LIABILITY COMPANY MUST HAVE A PLACE OF BUSINESS OR
25 RESIDENCE IN THIS STATE. A STATUTORY AGENT MUST BE EITHER AN INDIVIDUAL
26 RESIDENT OF THIS STATE, A DOMESTIC CORPORATION, A LIMITED LIABILITY
27 COMPANY, A FOREIGN CORPORATION OR A FOREIGN LIMITED LIABILITY COMPANY
28 AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE.

29 C. THE ONLY DUTIES UNDER THIS CHAPTER OF A STATUTORY AGENT THAT HAS
30 COMPLIED WITH THIS CHAPTER ARE:

31 1. TO FORWARD TO THE LIMITED LIABILITY COMPANY OR REGISTERED
32 FOREIGN LIMITED LIABILITY COMPANY AT THE ADDRESS MOST RECENTLY SUPPLIED TO
33 THE AGENT BY THE COMPANY OR FOREIGN COMPANY ANY PROCESS, NOTICE OR DEMAND
34 PERTAINING TO THE COMPANY OR FOREIGN COMPANY THAT IS SERVED ON OR RECEIVED
35 BY THE AGENT.

36 2. IF THE STATUTORY AGENT RESIGNS, TO PROVIDE THE NOTICE REQUIRED
37 BY SECTION 29-3117, SUBSECTION C TO THE COMPANY OR FOREIGN COMPANY AT THE
38 ADDRESS MOST RECENTLY SUPPLIED TO THE AGENT BY THE COMPANY OR FOREIGN
39 COMPANY.

40 3. TO KEEP CURRENT THE INFORMATION WITH RESPECT TO THE AGENT IN THE
41 ARTICLES OF ORGANIZATION OR FOREIGN REGISTRATION STATEMENT.

42 29-3116. Statement of change

43 A. A LIMITED LIABILITY COMPANY OR REGISTERED FOREIGN LIMITED
44 LIABILITY COMPANY MAY CHANGE ITS STATUTORY AGENT, ITS PRINCIPAL ADDRESS,
45 THE ADDRESS OF ONE OR MORE OF ITS MANAGERS OR MEMBERS OR THE ADDRESS OF

1 ITS STATUTORY AGENT BY DELIVERING TO THE COMMISSION FOR FILING A STATEMENT
2 OF CHANGE THAT STATES BOTH OF THE FOLLOWING:

- 3 1. THE NAME OF THE COMPANY OR FOREIGN COMPANY.
4 2. THE INFORMATION THAT IS TO BE IN EFFECT AS A RESULT OF THE
5 FILING OF THE STATEMENT OF CHANGE.

6 B. THE MEMBERS OR MANAGERS OF A LIMITED LIABILITY COMPANY ARE NOT
7 REQUIRED TO APPROVE THE DELIVERY TO THE COMMISSION FOR FILING OF EITHER:

- 8 1. A STATEMENT OF CHANGE UNDER THIS SECTION.
9 2. A SIMILAR FILING CHANGING THE STATUTORY AGENT OR PRINCIPAL
10 ADDRESS, IF ANY, OF THE COMPANY IN ANY OTHER JURISDICTION.

11 C. UNLESS THE SUCCESSOR STATUTORY AGENT SIGNED THE STATEMENT OF
12 CHANGE, THE APPOINTMENT OF A SUCCESSOR STATUTORY AGENT IS NOT EFFECTIVE
13 UNTIL THE SUCCESSOR STATUTORY AGENT, THE LIMITED LIABILITY COMPANY OR THE
14 REGISTERED FOREIGN LIMITED LIABILITY COMPANY DELIVERS A RECORD TO THE
15 COMMISSION SIGNED BY THE SUCCESSOR STATUTORY AGENT ACCEPTING THE CHANGE OR
16 THE APPOINTMENT.

17 D. AS AN ALTERNATIVE TO USING THE PROCEDURE IN THIS SECTION, A
18 LIMITED LIABILITY COMPANY MAY AMEND ITS ARTICLES OF ORGANIZATION OR A
19 REGISTERED FOREIGN LIMITED LIABILITY COMPANY MAY FILE AN AMENDMENT OF
20 FOREIGN REGISTRATION STATEMENT UNDER SECTION 29-3904.

21 29-3117. Resignation of statutory agent

22 A. A STATUTORY AGENT MAY RESIGN AS AN AGENT FOR A LIMITED LIABILITY
23 COMPANY OR REGISTERED FOREIGN LIMITED LIABILITY COMPANY BY DELIVERING TO
24 THE COMMISSION FOR FILING A STATEMENT OF RESIGNATION THAT STATES ALL OF
25 THE FOLLOWING:

- 26 1. THE NAME OF THE COMPANY OR FOREIGN COMPANY.
27 2. THE NAME OF THE AGENT.
28 3. THAT THE AGENT RESIGNS FROM SERVING AS STATUTORY AGENT FOR THE
29 COMPANY OR FOREIGN COMPANY.
30 4. THE ADDRESS OF THE COMPANY OR FOREIGN COMPANY TO WHICH THE AGENT
31 WILL SEND THE NOTICE REQUIRED BY SUBSECTION C OF THIS SECTION.

32 B. A STATEMENT OF RESIGNATION TAKES EFFECT ON THE EARLIER OF:
33 1. THE THIRTY-FIRST DAY AFTER THE DAY ON WHICH THE STATEMENT OF
34 RESIGNATION IS FILED BY THE COMMISSION.

35 2. THE DESIGNATION OF A NEW STATUTORY AGENT FOR THE LIMITED
36 LIABILITY COMPANY OR REGISTERED FOREIGN LIMITED LIABILITY COMPANY.

37 C. A STATUTORY AGENT PROMPTLY SHALL FURNISH TO THE LIMITED
38 LIABILITY COMPANY OR REGISTERED FOREIGN LIMITED LIABILITY COMPANY NOTICE
39 IN A RECORD OF THE DATE ON WHICH A STATEMENT OF RESIGNATION WAS FILED.

40 D. WHEN A STATEMENT OF RESIGNATION TAKES EFFECT, THE STATUTORY
41 AGENT CEASES TO HAVE RESPONSIBILITY UNDER THIS CHAPTER FOR ANY MATTER
42 THEREAFTER TENDERED TO THE STATUTORY AGENT AS AGENT FOR THE LIMITED
43 LIABILITY COMPANY OR REGISTERED FOREIGN LIMITED LIABILITY COMPANY. THE
44 RESIGNATION DOES NOT AFFECT ANY CONTRACTUAL RIGHTS THAT THE COMPANY OR

1 FOREIGN COMPANY HAS AGAINST THE AGENT OR THAT THE AGENT HAS AGAINST THE
2 COMPANY OR FOREIGN COMPANY.

3 E. A STATUTORY AGENT MAY RESIGN WITH RESPECT TO A LIMITED LIABILITY
4 COMPANY OR REGISTERED FOREIGN LIMITED LIABILITY COMPANY WHETHER OR NOT THE
5 COMPANY OR FOREIGN COMPANY IS IN GOOD STANDING.

6 29-3118. Change of name or address by statutory agent

7 A. IF A STATUTORY AGENT CHANGES ITS NAME OR ADDRESS, THE AGENT MAY
8 DELIVER TO THE COMMISSION FOR FILING A STATEMENT OF CHANGE THAT STATES ALL
9 OF THE FOLLOWING:

10 1. THE NAME OF THE LIMITED LIABILITY COMPANY OR REGISTERED FOREIGN
11 LIMITED LIABILITY COMPANY REPRESENTED BY THE STATUTORY AGENT.

12 2. THE NAME OF THE AGENT AS CURRENTLY SHOWN IN THE RECORDS OF THE
13 COMMISSION FOR THE COMPANY OR FOREIGN COMPANY.

14 3. IF THE NAME OF THE AGENT HAS CHANGED, ITS NEW NAME.

15 4. IF THE ADDRESS OF THE AGENT HAS CHANGED, ITS NEW ADDRESS.

16 B. A STATUTORY AGENT PROMPTLY SHALL FURNISH NOTICE TO THE
17 REPRESENTED LIMITED LIABILITY COMPANY OR REGISTERED FOREIGN LIMITED
18 LIABILITY COMPANY OF THE FILING BY THE COMMISSION OF THE STATEMENT OF
19 CHANGE AND THE CHANGES MADE BY THE STATEMENT.

20 29-3119. Service of process, notice or demand

21 A. A LIMITED LIABILITY COMPANY OR REGISTERED FOREIGN LIMITED
22 LIABILITY COMPANY MAY BE SERVED WITH ANY PROCESS, NOTICE OR DEMAND
23 REQUIRED OR PERMITTED BY LAW BY SERVING ITS STATUTORY AGENT.

24 B. IF A LIMITED LIABILITY COMPANY OR REGISTERED FOREIGN LIMITED
25 LIABILITY COMPANY CEASES TO HAVE A STATUTORY AGENT, OR IF ITS STATUTORY
26 AGENT CANNOT WITH REASONABLE DILIGENCE BE SERVED, THE COMPANY OR FOREIGN
27 COMPANY MAY BE SERVED BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT
28 REQUESTED, OR BY A SIMILAR COMMERCIAL DELIVERY SERVICE, ADDRESSED TO THE
29 COMPANY OR FOREIGN COMPANY AT ITS PRINCIPAL ADDRESS. THE PRINCIPAL
30 ADDRESS MUST BE AS SHOWN ON THE COMPANY'S OR FOREIGN COMPANY'S MOST RECENT
31 FILING WITH THE COMMISSION. SERVICE IS EFFECTED UNDER THIS SUBSECTION ON
32 THE EARLIEST OF ANY OF THE FOLLOWING:

33 1. THE DATE THE COMPANY OR FOREIGN COMPANY RECEIVES THE MAIL OR
34 DELIVERY BY THE COMMERCIAL DELIVERY SERVICE.

35 2. THE DATE SHOWN ON THE RETURN RECEIPT, IF SIGNED BY THE COMPANY
36 OR FOREIGN COMPANY.

37 3. FIVE DAYS AFTER THE MAIL OR DELIVERY IS DEPOSITED WITH THE
38 UNITED STATES POSTAL SERVICE OR WITH THE COMMERCIAL DELIVERY SERVICE, IF
39 CORRECTLY ADDRESSED AND WITH SUFFICIENT POSTAGE OR PAYMENT.

40 C. IF PROCESS, NOTICE OR DEMAND CANNOT BE SERVED ON A LIMITED
41 LIABILITY COMPANY OR REGISTERED FOREIGN LIMITED LIABILITY COMPANY PURSUANT
42 TO SUBSECTION A OR B OF THIS SECTION, SERVICE MAY BE MADE BY HANDING A
43 COPY TO THE INDIVIDUAL IN CHARGE OF ANY REGULAR PLACE OF BUSINESS OR
44 ACTIVITY OF THE COMPANY OR FOREIGN COMPANY IF THE INDIVIDUAL SERVED IS NOT
45 A PLAINTIFF IN THE ACTION.

1 D. SERVICE OF PROCESS, NOTICE OR DEMAND ON A STATUTORY AGENT MUST
2 BE IN A WRITTEN RECORD.

3 E. SERVICE OF PROCESS, NOTICE OR DEMAND MAY BE MADE BY OTHER MEANS
4 UNDER LAW OTHER THAN THIS CHAPTER.

5 29-3120. Delivery of record

6 A. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, PERMISSIBLE MEANS
7 OF DELIVERY OF A RECORD INCLUDE DELIVERY BY HAND, MAIL, CONVENTIONAL
8 COMMERCIAL PRACTICE AND ELECTRONIC TRANSMISSION.

9 B. DELIVERY TO THE COMMISSION IS EFFECTIVE ONLY WHEN A RECORD IS
10 RECEIVED BY THE COMMISSION.

11 29-3121. Reservation of power to amend or repeal

12 THE LEGISLATURE OF THIS STATE HAS THE POWER TO AMEND OR REPEAL ALL
13 OR ANY PART OF THIS CHAPTER AT ANY TIME, AND ALL LIMITED LIABILITY
14 COMPANIES AND FOREIGN LIMITED LIABILITY COMPANIES SUBJECT TO THIS CHAPTER
15 ARE GOVERNED BY THE AMENDMENT OR REPEAL.

16 29-3122. Powers of commission

17 THE COMMISSION HAS THE POWER REASONABLY NECESSARY TO ADMINISTER THIS
18 CHAPTER EFFICIENTLY AND TO PERFORM THE DUTIES IMPOSED ON THE COMMISSION
19 UNDER THIS CHAPTER.

20 29-3123. Taxation

21 A LIMITED LIABILITY COMPANY ESTABLISHED OR A FOREIGN LIMITED
22 LIABILITY COMPANY TRANSACTING BUSINESS IN THIS STATE PURSUANT TO THIS
23 CHAPTER SHALL PAY THE TAXES THAT ARE IMPOSED BY THE LAWS OF THIS STATE OR
24 ANY POLITICAL SUBDIVISION OF THIS STATE ON DOMESTIC AND FOREIGN LIMITED
25 PARTNERSHIPS ON AN IDENTICAL BASIS, EXCEPT THAT, FOR THE PURPOSES OF TITLE
26 23, CHAPTER 4 AND TITLE 43, A COMPANY OR FOREIGN COMPANY AND ITS MEMBERS
27 SHALL BE TAXED AS IF THE COMPANY OR FOREIGN COMPANY IS EITHER A
28 PARTNERSHIP OR A CORPORATION OR IS DISREGARDED AS AN ENTITY AS DETERMINED
29 PURSUANT TO THE INTERNAL REVENUE CODE AS DEFINED IN SECTION 43-105.

30 ARTICLE 2. FORMATION; ARTICLES OF ORGANIZATION
31 AND OTHER FILINGS

32 29-3201. Formation of limited liability company; articles of
33 organization

34 A. ONE OR MORE PERSONS MAY ACT AS ORGANIZERS TO FORM A LIMITED
35 LIABILITY COMPANY BY DELIVERING TO THE COMMISSION FOR FILING THE ARTICLES
36 OF ORGANIZATION.

37 B. THE ARTICLES OF ORGANIZATION MUST STATE ALL OF THE FOLLOWING:

38 1. THE NAME OF THE LIMITED LIABILITY COMPANY THAT COMPLIES WITH
39 SECTION 29-3112.

40 2. THE PRINCIPAL ADDRESS, WHICH MAY BE THE SAME AS THE MAILING
41 ADDRESS OF THE COMPANY'S STATUTORY AGENT.

42 3. THE NAME AND STREET AND MAILING ADDRESSES IN THIS STATE OF THE
43 COMPANY'S STATUTORY AGENT.

1 4. WHETHER THE COMPANY IS A MANAGER-MANAGED LIMITED LIABILITY
2 COMPANY OR A MEMBER-MANAGED LIMITED LIABILITY COMPANY AND EITHER OF THE
3 FOLLOWING:

4 (a) IF THE COMPANY IS A MANAGER-MANAGED LIMITED LIABILITY COMPANY,
5 THE NAME AND ADDRESS OF EACH MANAGER AND THE NAME AND ADDRESS OF EACH
6 MEMBER WHO OWNS A TWENTY PERCENT OR GREATER INTEREST IN THE CAPITAL OR
7 PROFITS OF THE COMPANY.

8 (b) IF THE COMPANY IS A MEMBER-MANAGED LIMITED LIABILITY COMPANY,
9 THE NAME AND ADDRESS OF EACH MEMBER OF THE COMPANY.

10 C. THE ARTICLES OF ORGANIZATION MAY CONTAIN STATEMENTS AS TO
11 MATTERS OTHER THAN THOSE REQUIRED BY SUBSECTION B OF THIS SECTION BUT MAY
12 NOT VARY OR OTHERWISE AFFECT THE PROVISIONS SPECIFIED IN SECTION 29-3105,
13 SUBSECTIONS C AND D IN A MANNER INCONSISTENT WITH SECTION 29-3105.

14 D. A LIMITED LIABILITY COMPANY IS FORMED WHEN THE ARTICLES OF
15 ORGANIZATION BECOME EFFECTIVE.

16 E. A PARENT LIMITED LIABILITY COMPANY AND ITS SUBSIDIARY LIMITED
17 LIABILITY COMPANIES MAY BE FORMED AT THE SAME TIME.

18 F. THE FILING OF THE ARTICLES OF ORGANIZATION BY THE COMMISSION IS
19 CONCLUSIVE PROOF THAT ALL CONDITIONS PRECEDENT THAT ARE REQUIRED TO BE
20 PERFORMED BY THE ORGANIZERS HAVE BEEN SATISFIED AND THAT THE LIMITED
21 LIABILITY COMPANY HAS BEEN LEGALLY ORGANIZED AND FORMED UNDER THIS
22 CHAPTER.

23 G. WITHIN SIXTY DAYS AFTER THE COMMISSION FILES THE ARTICLES OF
24 ORGANIZATION, EITHER OF THE FOLLOWING MUST OCCUR:

25 1. A NOTICE OF THE FILING OF THE ARTICLES SHALL BE PUBLISHED IN A
26 NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY OF THE STATUTORY AGENT'S
27 STREET ADDRESS FOR THREE CONSECUTIVE PUBLICATIONS CONTAINING THE
28 INFORMATION REQUIRED IN SUBSECTION B OF THIS SECTION. AN AFFIDAVIT
29 EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

30 2. THE COMMISSION SHALL INPUT THE INFORMATION REGARDING THE
31 APPROVAL INTO THE DATABASE AS PRESCRIBED BY SECTION 10-130 IF THE
32 STATUTORY AGENT'S STREET ADDRESS IS IN A COUNTY WITH A POPULATION OF MORE
33 THAN EIGHT HUNDRED THOUSAND PERSONS.

34 29-3202. Amendment or restatement of articles of organization

35 A. THE ARTICLES OF ORGANIZATION MAY BE AMENDED OR RESTATED AT ANY
36 TIME, INCLUDING TO:

37 1. CHANGE THE NAME OF THE LIMITED LIABILITY COMPANY.

38 2. CHANGE FROM A MEMBER-MANAGED LIMITED LIABILITY COMPANY TO A
39 MANAGER-MANAGED LIMITED LIABILITY COMPANY OR FROM A MANAGER-MANAGED
40 LIMITED LIABILITY COMPANY TO A MEMBER-MANAGED LIMITED LIABILITY COMPANY.

41 B. THE ARTICLES OF ORGANIZATION SHALL BE AMENDED IF THERE IS A
42 STATEMENT IN THE ARTICLES THAT WAS FALSE OR ERRONEOUS WHEN IT WAS MADE OR
43 WITHIN THIRTY DAYS AFTER THE OCCURRENCE OF ANY OF THE FOLLOWING:

44 1. A MEMBER-MANAGED LIMITED LIABILITY COMPANY HAS A CHANGE IN
45 MEMBERS.

1 2. A MANAGER-MANAGED LIMITED LIABILITY COMPANY HAS A CHANGE IN
2 MANAGERS OR A CHANGE IN MEMBERS OWNING TWENTY PERCENT OR GREATER INTEREST
3 IN THE CAPITAL OR PROFITS OF THE COMPANY.

4 C. THE ARTICLES OF ORGANIZATION SHALL BE AMENDED OR A STATEMENT OF
5 CHANGE SHALL BE FILED WITHIN THIRTY DAYS AFTER THE OCCURRENCE OF ANY OF
6 THE FOLLOWING:

7 1. THE LIMITED LIABILITY COMPANY CHANGES ITS STATUTORY AGENT.

8 2. THE LIMITED LIABILITY COMPANY CHANGES ITS PRINCIPAL ADDRESS.

9 3. THE ADDRESS OF ONE OR MORE OF THE LIMITED LIABILITY COMPANY'S
10 MANAGERS OR MEMBERS CHANGES.

11 4. THE ADDRESS OF THE STATUTORY AGENT CHANGES.

12 D. TO AMEND ITS ARTICLES OF ORGANIZATION, A LIMITED LIABILITY
13 COMPANY MUST DELIVER TO THE COMMISSION FOR FILING AN AMENDMENT STATING
14 BOTH OF THE FOLLOWING:

15 1. THE NAME OF THE COMPANY.

16 2. THE TEXT OF THE AMENDMENT.

17 E. TO RESTATE ITS ARTICLES OF ORGANIZATION WITHOUT AMENDMENT, A
18 LIMITED LIABILITY COMPANY MUST DELIVER TO THE COMMISSION FOR FILING THE
19 RESTATED ARTICLES, DESIGNATED AS SUCH IN THE HEADING, STATING BOTH OF THE
20 FOLLOWING:

21 1. THE NAME OF THE COMPANY.

22 2. THE TEXT OF THE RESTATED ARTICLES.

23 F. TO AMEND AND RESTATE ITS ARTICLES OF ORGANIZATION, A LIMITED
24 LIABILITY COMPANY MUST DELIVER TO THE COMMISSION FOR FILING THE AMENDED
25 AND RESTATED ARTICLES, DESIGNATED AS SUCH IN THE HEADING, STATING BOTH OF
26 THE FOLLOWING:

27 1. THE NAME OF THE COMPANY.

28 2. THE TEXT OF THE AMENDED AND RESTATED ARTICLES.

29 G. IF A MEMBER OF A MEMBER-MANAGED LIMITED LIABILITY COMPANY OR A
30 MANAGER OF A MANAGER-MANAGED LIMITED LIABILITY COMPANY KNOWS THAT ANY
31 INFORMATION IN THE FILED ARTICLES OF ORGANIZATION WAS INACCURATE WHEN THE
32 ARTICLES WERE FILED OR HAS BECOME INACCURATE DUE TO CHANGED CIRCUMSTANCES,
33 THE MEMBER OR MANAGER SHALL PROMPTLY DO EITHER OF THE FOLLOWING:

34 1. CAUSE THE ARTICLES TO BE AMENDED.

35 2. IF APPROPRIATE, DELIVER TO THE COMMISSION FOR FILING A STATEMENT
36 OF CHANGE UNDER SECTION 29-3116 OR A STATEMENT OF CORRECTION UNDER SECTION
37 29-3209.

38 H. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING,
39 EITHER OF THE FOLLOWING MUST OCCUR:

40 1. A COPY OF THE AMENDMENT, RESTATED ARTICLES OF ORGANIZATION OR
41 AMENDED AND RESTATED ARTICLES OF ORGANIZATION SHALL BE PUBLISHED IN A
42 NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY OF THE STATUTORY AGENT'S
43 STREET ADDRESS FOR THREE CONSECUTIVE PUBLICATIONS. AN AFFIDAVIT
44 EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

1 2. THE PERSON TO DELIVER THE RECORD TO THE COMMISSION FOR FILING.

2 3. THE COMMISSION TO FILE THE RECORD UNSIGNED.

3 B. IF A PETITIONER UNDER SUBSECTION A OF THIS SECTION IS NOT THE
4 LIMITED LIABILITY COMPANY, FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN
5 SERIES TO WHICH THE RECORD PERTAINS, THE PETITIONER SHALL MAKE THE
6 COMPANY, FOREIGN COMPANY OR FOREIGN SERIES A PARTY TO THE ACTION.

7 C. A RECORD FILED UNDER SUBSECTION A, PARAGRAPH 3 OF THIS SECTION
8 IS EFFECTIVE WITHOUT BEING SIGNED.

9 29-3205. Liability for inaccurate information in filed record

10 A. IF A RECORD THAT IS DELIVERED TO THE COMMISSION FOR FILING UNDER
11 THIS CHAPTER AND THAT IS FILED BY THE COMMISSION CONTAINS INACCURATE
12 INFORMATION, A PERSON THAT SUFFERS LOSS BY RELIANCE ON THE INFORMATION MAY
13 RECOVER DAMAGES FOR THE LOSS FROM:

14 1. A PERSON THAT SIGNED THE RECORD, OR CAUSED ANOTHER TO SIGN IT ON
15 THE PERSON'S BEHALF, AND KNEW THE INFORMATION TO BE INACCURATE AT THE TIME
16 THE RECORD WAS SIGNED.

17 2. SUBJECT TO SUBSECTION B OF THIS SECTION, A MEMBER OF A
18 MEMBER-MANAGED LIMITED LIABILITY COMPANY OR A MANAGER OF A MANAGER-MANAGED
19 LIMITED LIABILITY COMPANY IF BOTH OF THE FOLLOWING APPLY:

20 (a) THE RECORD WAS DELIVERED FOR FILING ON BEHALF OF THE COMPANY.

21 (b) THE MEMBER OR MANAGER KNEW OR HAD NOTICE OF THE INACCURACY FOR
22 A REASONABLY SUFFICIENT TIME BEFORE THE INFORMATION WAS RELIED ON SO THAT,
23 BEFORE THE RELIANCE, THE MEMBER OR MANAGER REASONABLY COULD HAVE DONE ANY
24 OF THE FOLLOWING:

25 (i) EFFECTED AN AMENDMENT UNDER SECTION 29-3202.

26 (ii) FILED A PETITION UNDER SECTION 29-3204.

27 (iii) DELIVERED TO THE COMMISSION FOR FILING A STATEMENT OF CHANGE
28 UNDER SECTION 29-3116 OR A STATEMENT OF CORRECTION UNDER SECTION 29-3209.

29 B. TO THE EXTENT THE OPERATING AGREEMENT OF A MEMBER-MANAGED
30 LIMITED LIABILITY COMPANY EXPRESSLY RELIEVES A MEMBER OF RESPONSIBILITY
31 FOR MAINTAINING THE ACCURACY OF INFORMATION CONTAINED IN RECORDS DELIVERED
32 ON BEHALF OF THE COMPANY TO THE COMMISSION FOR FILING UNDER THIS CHAPTER
33 AND IMPOSES THAT RESPONSIBILITY ON ONE OR MORE OTHER MEMBERS, THE
34 LIABILITY STATED IN SUBSECTION A, PARAGRAPH 2 OF THIS SECTION APPLIES TO
35 THOSE OTHER MEMBERS AND NOT TO THE MEMBER THAT THE OPERATING AGREEMENT
36 RELIEVES OF THE RESPONSIBILITY.

37 C. AN INDIVIDUAL WHO SIGNS A RECORD AUTHORIZED OR REQUIRED TO BE
38 FILED UNDER THIS CHAPTER AFFIRMS UNDER PENALTY OF PERJURY THAT, TO THAT
39 INDIVIDUAL'S KNOWLEDGE, THE INFORMATION STATED IN THE RECORD IS ACCURATE.

40 D. A PERSON THAT SIGNS A RECORD, OR CAUSES ANOTHER TO SIGN IT ON
41 THE PERSON'S BEHALF, KNOWING THAT THE RECORD CONTAINS INACCURATE
42 INFORMATION AT THE TIME IT IS SIGNED, IS LIABLE TO THE LIMITED LIABILITY
43 COMPANY AND TO EACH MEMBER OF THE COMPANY FOR DAMAGES RESULTING FROM THE
44 INACCURATE INFORMATION.

1 E. THE PREVAILING PARTY IN AN ACTION TO RECOVER DAMAGES UNDER THIS
2 SECTION IS ENTITLED TO AN AWARD FOR ITS COSTS AND REASONABLE ATTORNEY
3 FEES.

4 29-3206. Filing requirements

5 A. TO BE FILED BY THE COMMISSION PURSUANT TO THIS CHAPTER, A RECORD
6 MUST BE RECEIVED BY THE COMMISSION, COMPLY WITH THIS CHAPTER AND SATISFY
7 THE FOLLOWING:

8 1. THE FILING OF THE RECORD MUST BE REQUIRED OR ALLOWED BY THIS
9 CHAPTER.

10 2. THE RECORD MUST BE PHYSICALLY DELIVERED IN WRITTEN FORM UNLESS
11 THE COMMISSION ALLOWS ELECTRONIC DELIVERY OF RECORDS. IF THE COMMISSION
12 ALLOWS ELECTRONIC DELIVERY OF RECORDS, THE RECORDS MAY BE ELECTRONICALLY
13 DELIVERED ONLY TO THE EXTENT THE COMMISSION ALLOWS.

14 3. THE WORDS IN THE RECORD MUST BE IN ENGLISH AND NUMBERS MUST BE
15 IN ARABIC OR ROMAN NUMERALS, BUT THE NAME OF AN ENTITY IS NOT REQUIRED TO
16 BE IN ENGLISH IF THE NAME IS WRITTEN IN ENGLISH LETTERS OR ARABIC OR ROMAN
17 NUMERALS.

18 4. THE RECORD MUST BE SIGNED BY A PERSON AUTHORIZED OR REQUIRED
19 UNDER THIS CHAPTER TO SIGN THE RECORD.

20 5. THE RECORD MUST STATE THE NAME AND CAPACITY, IF ANY, OF EACH
21 INDIVIDUAL WHO SIGNED IT, EITHER ON BEHALF OF THE INDIVIDUAL OR THE PERSON
22 AUTHORIZED OR REQUIRED TO SIGN THE RECORD, BUT IS NOT REQUIRED TO CONTAIN
23 A SEAL, ATTESTATION, ACKNOWLEDGMENT OR VERIFICATION.

24 B. IF A LAW OTHER THAN THIS CHAPTER PROHIBITS THE DISCLOSURE BY THE
25 COMMISSION OF INFORMATION CONTAINED IN A RECORD DELIVERED TO THE
26 COMMISSION FOR FILING, THE COMMISSION SHALL FILE THE RECORD IF THE RECORD
27 OTHERWISE COMPLIES WITH THIS CHAPTER BUT MAY REDACT THE INFORMATION.

28 C. WHEN A RECORD IS DELIVERED TO THE COMMISSION FOR FILING, ANY FEE
29 OR PENALTY REQUIRED TO BE PAID UNDER THIS CHAPTER MUST BE PAID IN A MANNER
30 ALLOWED BY THE COMMISSION.

31 D. THE COMMISSION MAY REQUIRE THAT A RECORD DELIVERED IN WRITTEN
32 FORM BE ACCOMPANIED BY AN IDENTICAL OR CONFORMED COPY.

33 E. THE COMMISSION MAY PROVIDE FORMS FOR FILINGS REQUIRED OR ALLOWED
34 TO BE MADE BY THIS CHAPTER, BUT, EXCEPT AS OTHERWISE PROVIDED IN
35 SUBSECTION F OF THIS SECTION, THEIR USE IS NOT REQUIRED.

36 F. THE COMMISSION MAY REQUIRE THAT A COVER SHEET FOR A FILING BE ON
37 A FORM PRESCRIBED BY THE COMMISSION.

38 29-3207. Effective date and time

39 A. EXCEPT AS OTHERWISE PROVIDED IN SECTION 29-3208 AND SUBJECT TO
40 SECTION 29-3209, SUBSECTION D, A RECORD FILED UNDER THIS CHAPTER IS
41 EFFECTIVE:

42 1. ON THE DATE AND AT THE TIME OF ITS DELIVERY TO THE COMMISSION,
43 AS PROVIDED IN SUBSECTION B OF THIS SECTION OR SECTION 29-3210,
44 SUBSECTION B.

1 2. ON THE DATE AND AT THE TIME SPECIFIED IN THE RECORD AS ITS
2 EFFECTIVE TIME, IF LATER THAN THE DATE AND TIME UNDER PARAGRAPH 1 OF THIS
3 SUBSECTION.

4 3. AT A SPECIFIED DELAYED EFFECTIVE DATE AND TIME, WHICH MAY NOT BE
5 MORE THAN NINETY DAYS AFTER THE DATE OF DELIVERY.

6 4. IF A DELAYED EFFECTIVE DATE IS SPECIFIED, BUT NO TIME IS
7 SPECIFIED, AT 12:01 A.M. MOUNTAIN STANDARD TIME ON THE DATE SPECIFIED,
8 WHICH MAY NOT BE MORE THAN NINETY DAYS AFTER THE DATE OF DELIVERY.

9 B. IF THE COMMISSION IS UNABLE TO MAKE A DETERMINATION THAT THE
10 RECORD COMPLIES WITH ALL FILING REQUIREMENTS OF THIS CHAPTER AT THE TIME
11 THE RECORD IS DELIVERED FOR FILING, THE RECORD IS DEEMED TO HAVE BEEN
12 FILED AT THE TIME OF DELIVERY IF THE COMMISSION SUBSEQUENTLY DETERMINES
13 EITHER THAT:

14 1. THE RECORD AS DELIVERED CONFORMS TO THE FILING REQUIREMENTS OF
15 THIS CHAPTER.

16 2. WITHIN THIRTY DAYS AFTER NOTIFICATION OF NONCONFORMANCE IS GIVEN
17 BY THE COMMISSION TO THE PERSON THAT DELIVERED THE RECORD FOR FILING OR
18 THE PERSON'S REPRESENTATIVE, THE RECORD IS BROUGHT INTO CONFORMANCE.

19 29-3208. Withdrawal of filed record before effectiveness

20 A. EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 29-2204, 29-2304,
21 29-2404, 29-2504 AND 29-2604, A RECORD DELIVERED TO THE COMMISSION FOR
22 FILING MAY BE WITHDRAWN BEFORE IT TAKES EFFECT BY DELIVERING TO THE
23 COMMISSION FOR FILING A STATEMENT OF WITHDRAWAL.

24 B. A STATEMENT OF WITHDRAWAL MUST COMPLY WITH ALL OF THE FOLLOWING:

25 1. BE SIGNED BY EACH PERSON THAT SIGNED THE RECORD BEING WITHDRAWN,
26 EXCEPT AS OTHERWISE AGREED BY THOSE PERSONS.

27 2. IDENTIFY THE RECORD TO BE WITHDRAWN.

28 3. IF SIGNED BY FEWER THAN ALL THE PERSONS THAT SIGNED THE RECORD
29 BEING WITHDRAWN, STATE THAT THE RECORD IS WITHDRAWN IN ACCORDANCE WITH THE
30 AGREEMENT OF ALL THE PERSONS THAT SIGNED THE RECORD.

31 C. ON FILING BY THE COMMISSION OF A STATEMENT OF WITHDRAWAL, THE
32 ACTION OR TRANSACTION EVIDENCED BY THE ORIGINAL RECORD DOES NOT TAKE
33 EFFECT.

34 29-3209. Correcting filed record

35 A. A PERSON ON WHOSE BEHALF A FILED RECORD WAS DELIVERED TO THE
36 COMMISSION FOR FILING MAY CORRECT THE RECORD IF ANY OF THE FOLLOWING
37 APPLIES:

38 1. THE RECORD AT THE TIME OF FILING WAS INACCURATE.

39 2. THE RECORD WAS DEFECTIVELY SIGNED.

40 3. THE ELECTRONIC TRANSMISSION OF THE RECORD TO THE COMMISSION WAS
41 DEFECTIVE.

42 B. TO CORRECT A FILED RECORD, A PERSON ON WHOSE BEHALF THE RECORD
43 WAS DELIVERED TO THE COMMISSION MUST DELIVER TO THE COMMISSION FOR FILING
44 A STATEMENT OF CORRECTION.

45 C. A STATEMENT OF CORRECTION:

- 1 1. MAY NOT STATE A DELAYED EFFECTIVE DATE.
- 2 2. MUST BE SIGNED BY THE PERSON CORRECTING THE FILED RECORD.
- 3 3. MUST SPECIFICALLY IDENTIFY THE FILED RECORD TO BE CORRECTED OR
- 4 BE ACCOMPANIED BY AN ATTACHED COPY OF THE FILED RECORD.
- 5 4. MUST SPECIFY THE INACCURACY OR DEFECT TO BE CORRECTED.
- 6 5. MUST CORRECT THE INACCURACY OR DEFECT.
- 7 D. A STATEMENT OF CORRECTION IS EFFECTIVE AS OF THE EFFECTIVE DATE
- 8 OF THE FILED RECORD THAT IT CORRECTS EXCEPT FOR THE PURPOSES OF SECTION
- 9 29-3103, SUBSECTION D AND AS TO PERSONS THAT RELIED ON THE UNCORRECTED
- 10 FILED RECORD AND THAT ARE ADVERSELY AFFECTED BY THE CORRECTION. FOR THOSE
- 11 PURPOSES AND AS TO THOSE PERSONS, THE STATEMENT OF CORRECTION IS EFFECTIVE
- 12 WHEN FILED.
- 13 29-3210. Duty of commission to file; refusal to file;
- 14 delivery of record by commission
- 15 A. THE COMMISSION SHALL FILE A RECORD THAT IS DELIVERED TO THE
- 16 COMMISSION FOR FILING AND THAT SATISFIES THIS CHAPTER. THE DUTY OF THE
- 17 COMMISSION UNDER THIS SECTION IS MINISTERIAL.
- 18 B. WHEN THE COMMISSION FILES A RECORD, THE COMMISSION SHALL RECORD
- 19 THE RECORD AS FILED ON THE DATE AND AT THE TIME OF ITS DELIVERY. AFTER
- 20 FILING A RECORD, THE COMMISSION SHALL DELIVER TO THE PERSON THAT SUBMITTED
- 21 THE RECORD AN ACKNOWLEDGMENT OF THE DATE AND TIME OF FILING.
- 22 C. IF THE COMMISSION REFUSES TO FILE A RECORD, THE COMMISSION SHALL
- 23 BOTH:
- 24 1. RETURN THE RECORD OR NOTIFY THE PERSON THAT SUBMITTED THE RECORD
- 25 OF THE REFUSAL.
- 26 2. PROVIDE A BRIEF EXPLANATION IN A RECORD OF THE REASON FOR THE
- 27 REFUSAL.
- 28 D. IF THE COMMISSION REFUSES TO FILE A RECORD, THE PERSON THAT
- 29 SUBMITTED THE RECORD MAY PETITION A COURT OF COMPETENT JURISDICTION TO
- 30 COMPEL FILING OF THE RECORD. THE RECORD AND THE EXPLANATION OF THE
- 31 COMMISSION OF THE REFUSAL TO FILE MUST BE ATTACHED TO THE PETITION. THE
- 32 COURT MAY DECIDE THE MATTER IN A SUMMARY PROCEEDING.
- 33 E. THE FILING OF OR REFUSAL TO FILE A RECORD DOES NOT DO EITHER OF
- 34 THE FOLLOWING:
- 35 1. AFFECT THE VALIDITY OR INVALIDITY OF THE RECORD IN WHOLE OR IN
- 36 PART.
- 37 2. CREATE A PRESUMPTION THAT THE INFORMATION CONTAINED IN THE
- 38 RECORD IS CORRECT OR INCORRECT.
- 39 F. EXCEPT AS OTHERWISE PROVIDED BY SECTION 29-3119 OR BY A LAW
- 40 OTHER THAN THIS CHAPTER, THE COMMISSION MAY DELIVER ANY RECORD TO A PERSON
- 41 BY DELIVERING THE RECORD IN ANY OF THE FOLLOWING MANNERS:
- 42 1. IN PERSON TO THE PERSON THAT SUBMITTED THE RECORD.
- 43 2. TO THE ADDRESS OF THE PERSON'S STATUTORY AGENT.
- 44 3. TO THE PRINCIPAL ADDRESS OF THE PERSON.

1 4. TO ANOTHER ADDRESS OR E-MAIL ADDRESS THAT THE PERSON PROVIDES TO
2 THE COMMISSION FOR DELIVERY.

3 29-3211. Certificate of good standing or registration

4 A. ON REQUEST OF ANY PERSON, AND AFTER PAYMENT OF THE REQUISITE
5 FEE, THE COMMISSION SHALL ISSUE A CERTIFICATE OF GOOD STANDING FOR A
6 LIMITED LIABILITY COMPANY OR A CERTIFICATE OF REGISTRATION FOR A
7 REGISTERED FOREIGN LIMITED LIABILITY COMPANY OR A REGISTERED FOREIGN
8 SERIES IF THE FACTS UNDER SUBSECTION B OF THIS SECTION ARE TRUE AS OF THE
9 DATE OF THE CERTIFICATE.

10 B. A CERTIFICATE UNDER SUBSECTION A OF THIS SECTION SHALL BE ISSUED
11 IF:

12 1. IN THE CASE OF A LIMITED LIABILITY COMPANY, ALL OF THE FOLLOWING
13 APPLY:

14 (a) THE ARTICLES OF ORGANIZATION HAVE BEEN FILED AND HAVE TAKEN
15 EFFECT.

16 (b) A STATEMENT OF ADMINISTRATIVE DISSOLUTION OR ARTICLES OF
17 TERMINATION HAVE NOT BEEN FILED.

18 (c) THE RECORDS OF THE COMMISSION DO NOT OTHERWISE REFLECT THAT THE
19 COMPANY HAS BEEN DISSOLVED OR TERMINATED.

20 (d) A PROCEEDING IS NOT PENDING UNDER SECTION 29-3708.

21 (e) ALL FEES, TAXES, INTEREST AND PENALTIES OWED TO THE COMMISSION
22 BY THE LIMITED LIABILITY COMPANY HAVE BEEN PAID.

23 2. IN THE CASE OF A REGISTERED FOREIGN LIMITED LIABILITY COMPANY OR
24 REGISTERED FOREIGN SERIES, ALL OF THE FOLLOWING APPLY:

25 (a) THE FOREIGN COMPANY OR FOREIGN SERIES IS REGISTERED TO DO
26 BUSINESS IN THIS STATE.

27 (b) A NOTICE OF TERMINATION HAS NOT BEEN SENT UNDER SECTION
28 29-3910.

29 (c) ALL FEES, TAXES, INTEREST AND PENALTIES OWED TO THE COMMISSION
30 BY THE FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN SERIES HAVE BEEN PAID.

31 C. SUBJECT TO ANY QUALIFICATION STATED IN THE CERTIFICATE, A
32 CERTIFICATE ISSUED BY THE COMMISSION UNDER SUBSECTION A OF THIS SECTION
33 MAY BE RELIED ON AS CONCLUSIVE EVIDENCE OF THE FACTS STATED IN THE
34 CERTIFICATE.

35 29-3212. Interrogatories by the commission; information
36 disclosed by interrogatories

37 A. THE COMMISSION MAY PROPOUND TO ANY LIMITED LIABILITY COMPANY,
38 REGISTERED FOREIGN LIMITED LIABILITY COMPANY, DESIGNATING FOREIGN COMPANY
39 OR REGISTERED FOREIGN SERIES AND TO ANY MEMBER OR MANAGER OF THE COMPANY
40 OR SERIES INTERROGATORIES AS MAY BE REASONABLY NECESSARY AND PROPER TO
41 ENABLE THE COMMISSION TO ASCERTAIN WHETHER THE COMPANY OR SERIES COMPLIED
42 WITH ALL APPLICABLE PROVISIONS OF THIS CHAPTER. THE INTERROGATORIES SHALL
43 BE ANSWERED WITHIN THIRTY DAYS AFTER THE MAILING OF THE INTERROGATORIES OR
44 WITHIN AN ADDITIONAL TIME FIXED BY THE COMMISSION, AND THE ANSWERS TO THE
45 INTERROGATORIES SHALL BE FULL AND COMPLETE AND SHALL BE MADE IN WRITING

1 AND UNDER PENALTY OF PERJURY. IF THE INTERROGATORIES ARE DIRECTED TO AN
2 INDIVIDUAL, THEY SHALL BE ANSWERED BY THE INDIVIDUAL, AND IF DIRECTED TO A
3 COMPANY OR FOREIGN SERIES THEY SHALL BE ANSWERED BY A MEMBER, IF THE
4 COMPANY OR FOREIGN SERIES IS A MEMBER-MANAGED COMPANY OR FOREIGN SERIES,
5 OR BY A MANAGER, IF THE COMPANY OR FOREIGN SERIES IS A MANAGER-MANAGED
6 COMPANY OR FOREIGN SERIES. THE COMMISSION IS NOT REQUIRED TO FILE ANY
7 DOCUMENT TO WHICH THE INTERROGATORIES RELATE UNTIL THE INTERROGATORIES
8 HAVE BEEN ANSWERED AS PROVIDED IN THIS SECTION OR IF THE ANSWERS TO THE
9 INTERROGATORIES DISCLOSE THAT THE DOCUMENT IS NOT IN CONFORMITY WITH THIS
10 CHAPTER. THE COMMISSION SHALL CERTIFY TO THE ATTORNEY GENERAL, FOR SUCH
11 ACTION AS THE ATTORNEY GENERAL DEEMS APPROPRIATE, ALL INTERROGATORIES AND
12 ANSWERS TO THE INTERROGATORIES THAT DISCLOSE A VIOLATION OF ANY OF THE
13 PROVISIONS OF THIS CHAPTER.

14 B. INTERROGATORIES PROPOUNDED BY THE COMMISSION AND THE ANSWERS TO
15 THE INTERROGATORIES ARE NOT OPEN TO PUBLIC INSPECTION AND THE COMMISSION
16 MAY NOT DISCLOSE ANY FACTS OR INFORMATION OBTAINED FROM THE
17 INTERROGATORIES AND ANSWERS, EXCEPT THAT SUCH INTERROGATORIES, ANSWERS,
18 FACTS OR INFORMATION MAY BE MADE OPEN TO PUBLIC INSPECTION OR DISCLOSED IF
19 THE COMMISSION'S OFFICIAL DUTY REQUIRES THE FACTS OR INFORMATION TO BE
20 MADE PUBLIC OR IF THE INTERROGATORIES OR THE ANSWERS ARE REQUIRED FOR
21 EVIDENCE IN ANY CRIMINAL PROCEEDING OR IN ANY OTHER ACTION BY THIS STATE.

22 29-3213. Fees; filing services; definition

23 A. THE COMMISSION SHALL COLLECT AND DEPOSIT, PURSUANT TO SECTIONS
24 35-146 AND 35-147, THE FOLLOWING NONREFUNDABLE FEES WHEN THE FOLLOWING
25 DOCUMENTS ARE DELIVERED TO THE COMMISSION:

- 26 1. THE INITIAL ARTICLES OF ORGANIZATION, FIFTY DOLLARS.
- 27 2. A FOREIGN REGISTRATION STATEMENT, ONE HUNDRED FIFTY DOLLARS.
- 28 3. AN AMENDMENT TO THE ARTICLES OF ORGANIZATION, TWENTY-FIVE
29 DOLLARS.
- 30 4. ARTICLES OF TERMINATION, THIRTY-FIVE DOLLARS.
- 31 5. A CERTIFICATE FOR ANY PURPOSE NOT OTHERWISE PROVIDED FOR, TEN
32 DOLLARS.
- 33 6. A STATEMENT OF MERGER, INTEREST EXCHANGE, CONVERSION,
34 DOMESTICATION OR DIVISION IF THE ENTITY RESPONSIBLE FOR FILING THE
35 STATEMENT IS A LIMITED LIABILITY COMPANY, FIFTY DOLLARS.
- 36 7. WRITTEN INFORMATION ON ANY LIMITED LIABILITY COMPANY, TEN
37 DOLLARS.
- 38 8. A COPY OF ANY DOCUMENT OR INSTRUMENT, FIVE DOLLARS PLUS FIFTY
39 CENTS PER PAGE.
- 40 9. AN APPLICATION FOR THE RESERVATION OF A NAME, A NOTICE OF THE
41 TRANSFER OF ANY NAME RESERVATION, AN APPLICATION FOR THE REGISTRATION OF A
42 NAME OR ALTERNATE NAME BY A FOREIGN LIMITED LIABILITY COMPANY OR A RENEWAL
43 APPLICATION FOR THE REGISTRATION OF A NAME OR ALTERNATE NAME BY A FOREIGN
44 COMPANY, TEN DOLLARS.
- 45 10. A STATEMENT OF CHANGE, FIVE DOLLARS.

- 1 11. A STATEMENT OF CORRECTION, TWENTY-FIVE DOLLARS.
- 2 12. AN APPLICATION FOR REINSTATEMENT, IN ADDITION TO OTHER FEES AND
- 3 PENALTIES DUE, ONE HUNDRED DOLLARS.
- 4 B. THE COMMISSION SHALL PROVIDE FOR AND ESTABLISH AN EXPEDITED
- 5 SERVICE FOR THE FILING OF ALL DOCUMENTS AND SERVICES PROVIDED PURSUANT TO
- 6 THIS CHAPTER AS FOLLOWS:
- 7 1. THE EXPEDITED FILING SHALL BE A PRIORITY SERVICE TO BE COMPLETED
- 8 AS SOON AS POSSIBLE AFTER THE DOCUMENTS ARE DELIVERED TO THE COMMISSION.
- 9 2. IN ADDITION TO ANY OTHER FEE REQUIRED BY THIS SECTION OR ANY
- 10 OTHER LAW, THE COMMISSION SHALL CHARGE A NONREFUNDABLE FEE FOR EXPEDITED
- 11 SERVICES. THE FEE SHALL BE DETERMINED BY A SUPERMAJORITY VOTE OF THE
- 12 COMMISSIONERS.
- 13 C. THE COMMISSION MAY PROVIDE FOR AND ESTABLISH SAME-DAY AND
- 14 NEXT-DAY SERVICES FOR THE FILING OF ANY DOCUMENTS AND SERVICES PROVIDED
- 15 PURSUANT TO THIS CHAPTER AS FOLLOWS:
- 16 1. THE COMMISSION SHALL SUSPEND SAME-DAY OR NEXT-DAY SERVICE IF THE
- 17 COMMISSION DETERMINES THAT IT DOES NOT HAVE THE NECESSARY RESOURCES TO
- 18 PERFORM THE SERVICE WITHIN THE ESTABLISHED TIME PERIOD.
- 19 2. IN ADDITION TO ANY OTHER FEE REQUIRED BY THIS SECTION OR ANY
- 20 OTHER LAW, THE COMMISSION MAY CHARGE A NONREFUNDABLE FEE FOR THE SAME-DAY
- 21 OR NEXT-DAY SERVICE, OR BOTH. THE FEE SHALL BE DETERMINED BY A
- 22 SUPERMAJORITY VOTE OF THE COMMISSIONERS.
- 23 D. THE COMMISSION SHALL PUBLICLY POST THE CURRENT WAIT TIMES FOR
- 24 PROCESSING REGULAR AND EXPEDITED SERVICES.
- 25 E. ALL MONIES RECEIVED PURSUANT TO SUBSECTIONS B AND C OF THIS
- 26 SECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE
- 27 PUBLIC ACCESS FUND ESTABLISHED BY SECTION 10-122.01.
- 28 F. THE COMMISSION MAY ALLOW ANY PERSON TO ADVANCE MONIES TO THE
- 29 COMMISSION TO PAY FEES REQUIRED PURSUANT TO THIS SECTION FOR FUTURE
- 30 FILINGS AND SERVICES. ALL MONIES RECEIVED PURSUANT TO THIS SUBSECTION
- 31 SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE MONEY
- 32 ON DEPOSIT ACCOUNT IN THE PUBLIC ACCESS FUND ESTABLISHED BY SECTION
- 33 10-122.01.
- 34 G. FOR THE PURPOSES OF THIS SECTION, "SUPERMAJORITY" MEANS AN
- 35 AFFIRMATIVE VOTE OF AT LEAST FOUR COMMISSIONERS.

36 ARTICLE 3. RELATIONS OF MEMBERS AND MANAGERS TO
37 PERSONS DEALING WITH LIMITED LIABILITY COMPANY

38 29-3301. Agency power of member and manager

- 39 A. IN A MEMBER-MANAGED LIMITED LIABILITY COMPANY, BOTH OF THE
- 40 FOLLOWING APPLY:
- 41 1. EACH MEMBER IS AN AGENT OF THE COMPANY FOR THE PURPOSE OF
- 42 CONDUCTING THE COMPANY'S ACTIVITIES AND AFFAIRS IN THE ORDINARY COURSE.
- 43 2. THE ACT OF EACH MEMBER DONE IN THE ORDINARY COURSE OF THE
- 44 COMPANY'S ACTIVITIES AND AFFAIRS BINDS THE COMPANY UNLESS THE ACTING
- 45 MEMBER HAS IN FACT NO AUTHORITY TO ACT FOR THE COMPANY IN THE PARTICULAR

1 MATTER AND THE PERSON WITH WHOM THE MEMBER IS DEALING HAS KNOWLEDGE OF THE
2 FACT THAT THE MEMBER HAS NO SUCH AUTHORITY.

3 B. IN A MANAGER-MANAGED LIMITED LIABILITY COMPANY, ALL OF THE
4 FOLLOWING APPLY:

5 1. A MEMBER IS NOT AN AGENT OF THE COMPANY SOLELY BY REASON OF
6 BEING A MEMBER EXCEPT TO THE EXTENT THAT AUTHORITY HAS BEEN DELEGATED TO
7 THE MEMBER BY THE MANAGER OR MANAGERS OR BY THE PROVISIONS OF AN OPERATING
8 AGREEMENT.

9 2. EACH MANAGER IS AN AGENT OF THE COMPANY FOR THE PURPOSE OF
10 CONDUCTING THE COMPANY'S ACTIVITIES AND AFFAIRS IN THE ORDINARY COURSE.

11 3. THE ACT OF EACH MANAGER DONE IN THE ORDINARY COURSE OF THE
12 COMPANY'S ACTIVITIES AND AFFAIRS BINDS THE COMPANY UNLESS THE ACTING
13 MANAGER HAS IN FACT NO AUTHORITY TO ACT FOR THE COMPANY IN THE PARTICULAR
14 MATTER AND THE PERSON WITH WHOM THE MANAGER IS DEALING HAS KNOWLEDGE OF
15 THE FACT THAT THE MANAGER HAS NO SUCH AUTHORITY.

16 29-3302. [Reserved]

17 29-3303. [Reserved]

18 29-3304. Liability of members and managers

19 A. A DEBT, OBLIGATION OR OTHER LIABILITY OF A LIMITED LIABILITY
20 COMPANY IS SOLELY THE DEBT, OBLIGATION OR OTHER LIABILITY OF THE COMPANY.
21 A MEMBER OR MANAGER IS NOT PERSONALLY LIABLE, DIRECTLY OR INDIRECTLY, BY
22 WAY OF CONTRIBUTION OR OTHERWISE, FOR A DEBT, OBLIGATION OR OTHER
23 LIABILITY OF THE COMPANY OR FOR THE ACTS OR OMISSIONS OF ANY OTHER MEMBER,
24 MANAGER, AGENT OR EMPLOYEE OF THE COMPANY, SOLELY BY REASON OF BEING OR
25 ACTING AS A MEMBER OR MANAGER. THIS SUBSECTION APPLIES REGARDLESS OF THE
26 DISSOLUTION OF THE COMPANY.

27 B. THE FAILURE OF A LIMITED LIABILITY COMPANY TO OBSERVE
28 FORMALITIES RELATING TO THE EXERCISE OF ITS POWERS OR MANAGEMENT OF ITS
29 ACTIVITIES AND AFFAIRS IS NOT A GROUND FOR IMPOSING LIABILITY ON A MEMBER
30 OR MANAGER FOR A DEBT, OBLIGATION OR OTHER LIABILITY OF THE COMPANY.

31 ARTICLE 4. RELATIONS OF MEMBERS TO EACH OTHER
32 AND TO LIMITED LIABILITY COMPANY

33 29-3401. Becoming a member; transferable interest; ownership
34 of interest in limited liability company

35 A. AT THE TIME OF FORMATION, A LIMITED LIABILITY COMPANY MUST HAVE
36 AT LEAST ONE MEMBER. IF A COMPANY IS TO HAVE ONLY ONE MEMBER ON
37 FORMATION, THE PERSON BECOMES A MEMBER BY AGREEING TO BE A MEMBER AND BY
38 BEING IDENTIFIED AS THE MEMBER IN THE ARTICLES OF ORGANIZATION. THE
39 MEMBER AND THE ORGANIZER MAY BE, BUT ARE NOT REQUIRED TO BE, DIFFERENT
40 PERSONS. IF THE MEMBER AND ORGANIZER ARE DIFFERENT PERSONS, THE ORGANIZER
41 ACTS ON BEHALF OF THE INITIAL MEMBER.

42 B. IF A LIMITED LIABILITY COMPANY IS TO HAVE MORE THAN ONE MEMBER
43 ON FORMATION, THOSE PERSONS BECOME MEMBERS AS AGREED BY THE PERSONS BEFORE
44 THE FORMATION OF THE COMPANY. THE ORGANIZER ACTS ON BEHALF OF THE PERSONS

1 IN FORMING THE COMPANY AND MAY BE, BUT IS NOT REQUIRED TO BE, ONE OF THE
2 PERSONS.

3 C. AFTER FORMATION OF A LIMITED LIABILITY COMPANY, A PERSON BECOMES
4 A MEMBER BY ANY OF THE FOLLOWING:

5 1. AS PROVIDED IN THE OPERATING AGREEMENT.

6 2. AS THE RESULT OF A TRANSACTION EFFECTIVE UNDER ARTICLE 10 OF
7 THIS CHAPTER.

8 3. BY AGREEING TO BECOME A MEMBER, WITH THE AFFIRMATIVE VOTE OR
9 CONSENT OF ALL THE MEMBERS.

10 4. AS PROVIDED IN SECTION 29-3701, SUBSECTION A, PARAGRAPH 3.

11 D. A PERSON MAY BECOME A MEMBER WITHOUT EITHER:

12 1. ACQUIRING A TRANSFERABLE INTEREST.

13 2. MAKING OR BEING OBLIGATED TO MAKE A CONTRIBUTION TO THE LIMITED
14 LIABILITY COMPANY.

15 E. A TRANSFERABLE INTEREST MAY BE HELD BY TWO OR MORE NATURAL
16 PERSONS AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP OR BY A MARRIED COUPLE
17 AS COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP. EXCEPT AS OTHERWISE
18 PROVIDED IN THIS SECTION, AN ASSIGNMENT OR ISSUANCE OF A TRANSFERABLE
19 INTEREST TO TWO OR MORE NATURAL PERSONS CREATES A TENANCY IN COMMON,
20 EXCEPT AN ASSIGNMENT OR ISSUANCE TO A MARRIED COUPLE.

21 F. A JOINT TENANCY WITH RIGHT OF SURVIVORSHIP IS CREATED WHEN A
22 WRITTEN OPERATING AGREEMENT EXPRESSLY DECLARES THAT TWO OR MORE NATURAL
23 PERSONS HOLD A TRANSFERABLE INTEREST AS JOINT TENANTS WITH RIGHT OF
24 SURVIVORSHIP OR IN JOINT TENANCY WITH RIGHT OF SURVIVORSHIP. A JOINT
25 TENANCY WITH RIGHT OF SURVIVORSHIP MAY ALSO BE CREATED BY A WRITTEN
26 ASSIGNMENT OF A TRANSFERABLE INTEREST TO TWO OR MORE NATURAL PERSONS, WHO
27 MAY INCLUDE ONE OR MORE ASSIGNORS, OR BY THE ARTICLES OF ORGANIZATION, IF
28 THE WRITTEN ASSIGNMENT OR THE ARTICLES HAVE BEEN SIGNED BY EACH JOINT
29 TENANT AND CONTAIN THE EXPRESS WRITTEN DECLARATION THAT THE JOINT TENANTS
30 HOLD THE ASSIGNED TRANSFERABLE INTEREST AS JOINT TENANTS WITH RIGHT OF
31 SURVIVORSHIP OR IN JOINT TENANCY WITH RIGHT OF SURVIVORSHIP.

32 G. AN ESTATE IN COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP IS
33 CREATED WHEN A WRITTEN OPERATING AGREEMENT EXPRESSLY DECLARES THAT A
34 MARRIED COUPLE HOLDS A TRANSFERABLE INTEREST AS COMMUNITY PROPERTY WITH
35 RIGHT OF SURVIVORSHIP. AN ESTATE IN COMMUNITY PROPERTY WITH RIGHT OF
36 SURVIVORSHIP MAY ALSO BE CREATED BY A WRITTEN ASSIGNMENT OF A TRANSFERABLE
37 INTEREST TO A MARRIED COUPLE, WHO MAY INCLUDE ONE OR BOTH ASSIGNOR
38 SPOUSES, OR BY THE ARTICLES OF ORGANIZATION, IF THE WRITTEN ASSIGNMENT OR
39 THE ARTICLES HAVE BEEN SIGNED BY EACH SPOUSE AND CONTAIN THE EXPRESS
40 WRITTEN DECLARATION THAT THE MARRIED COUPLE HOLDS THE ASSIGNED
41 TRANSFERABLE INTEREST AS COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP.

42 H. ALL CO-OWNERS OF A TRANSFERABLE INTEREST HELD AS JOINT TENANTS
43 WITH RIGHT OF SURVIVORSHIP, AS COMMUNITY PROPERTY OR AS COMMUNITY PROPERTY
44 WITH RIGHT OF SURVIVORSHIP OWN AN EQUAL UNDIVIDED INTEREST IN THE
45 TRANSFERABLE INTEREST. EACH CO-OWNER OF A TRANSFERABLE INTEREST, WHETHER

1 THE TRANSFERABLE INTEREST IS HELD AS TENANTS IN COMMON, JOINT TENANTS WITH
2 RIGHT OF SURVIVORSHIP, COMMUNITY PROPERTY OR COMMUNITY PROPERTY WITH RIGHT
3 OF SURVIVORSHIP, SHALL HAVE ONLY THE RIGHTS OF A TRANSFEREE WITH RESPECT
4 TO THE INTEREST, BOTH DURING THE LIFETIME AND FOLLOWING THE DEATH OF ANY
5 OTHER CO-OWNER, UNLESS AND UNTIL THE CO-OWNER BECOMES A MEMBER IN
6 ACCORDANCE WITH SUBSECTION C OF THIS SECTION.

7 I. IF A TRANSFERABLE INTEREST IS HELD BY TWO OR MORE PERSONS IN
8 JOINT TENANCY WITH RIGHT OF SURVIVORSHIP OR BY A MARRIED COUPLE AS
9 COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP, AFTER THE DEATH OF A
10 CO-OWNER OF THE TRANSFERABLE INTEREST ALL OF THE FOLLOWING APPLY:

11 1. THE SURVIVING CO-OWNER OR CO-OWNERS OF THE TRANSFERABLE INTEREST
12 SHALL SUCCEED TO THE OWNERSHIP OF THE DECEDENT'S INTEREST IN THE
13 TRANSFERABLE INTEREST WITHOUT FURTHER ACTION BY THE LIMITED LIABILITY
14 COMPANY OR THE OTHER MEMBERS AND SHALL HAVE ONLY THE RIGHTS OF A
15 TRANSFEREE WITH RESPECT TO THE INTEREST, UNLESS AND UNTIL THE CO-OWNER OR
16 CO-OWNERS ARE ADMITTED AS A MEMBER OR MEMBERS IN ACCORDANCE WITH
17 SUBSECTION C OF THIS SECTION.

18 2. THE DECEDENT'S INTEREST IN THE HANDS OF THE SURVIVING CO-OWNER
19 OR CO-OWNERS SHALL CONTINUE TO BE SUBJECT TO ALL OBLIGATIONS AND
20 LIABILITIES TO WHICH THAT INTEREST WAS SUBJECT IMMEDIATELY BEFORE THE
21 DEATH UNDER THE TERMS OF THE OPERATING AGREEMENT OR OTHER AGREEMENT AMONG
22 ONE OR MORE MEMBERS OR THIRD PARTIES.

23 3. IF THERE IS MORE THAN ONE SURVIVING CO-OWNER OF A TRANSFERABLE
24 INTEREST HELD IN JOINT TENANCY WITH RIGHT OF SURVIVORSHIP, AFTER THE DEATH
25 OF A CO-OWNER THE SURVIVING CO-OWNERS SHALL CONTINUE TO OWN THE
26 TRANSFERABLE INTEREST IN EQUAL SHARES AS JOINT TENANTS WITH RIGHT OF
27 SURVIVORSHIP.

28 J. THE DISTRIBUTION, VOTING, APPROVAL AND OTHER MANAGEMENT RIGHTS
29 WITH RESPECT TO A TRANSFERABLE INTEREST THAT IS CO-OWNED BY TWO OR MORE
30 PERSONS, WHETHER THE TRANSFERABLE INTEREST IS HELD AS TENANTS IN COMMON,
31 JOINT TENANTS WITH RIGHT OF SURVIVORSHIP, COMMUNITY PROPERTY OR COMMUNITY
32 PROPERTY WITH RIGHT OF SURVIVORSHIP, SHALL BE THE SAME AS IF THE INTEREST
33 WERE HELD BY ONLY ONE PERSON.

34 K. EACH CO-OWNER OF A TRANSFERABLE INTEREST WHO BECOMES A MEMBER
35 MAY EXERCISE ALL VOTING, APPROVAL AND OTHER MANAGEMENT RIGHTS OF A MEMBER,
36 INCLUDING THE RIGHT TO APPROVE AN AMENDMENT TO THE OPERATING AGREEMENT,
37 WITH RESPECT TO AN INTEREST HELD AS TENANCY IN COMMON, JOINT TENANCY WITH
38 RIGHT OF SURVIVORSHIP, COMMUNITY PROPERTY OR COMMUNITY PROPERTY WITH RIGHT
39 OF SURVIVORSHIP.

40 L. THE LIMITED LIABILITY COMPANY IS ENTITLED TO RELY IN GOOD FAITH
41 ON THE ACT OF A MEMBER THAT PURPORTS TO BE TAKEN IN THE EXERCISE OF ANY
42 VOTING, APPROVAL OR OTHER MANAGEMENT RIGHT, INCLUDING THE RIGHT TO APPROVE
43 AN AMENDMENT TO THE OPERATING AGREEMENT RELATING TO A TRANSFERABLE
44 INTEREST THAT IS CO-OWNED BY THE MEMBER WITH ONE OR MORE OTHER PERSONS,
45 WHETHER THE TRANSFERABLE INTEREST IS HELD AS TENANTS IN COMMON, JOINT

1 TENANTS WITH RIGHT OF SURVIVORSHIP, COMMUNITY PROPERTY OR COMMUNITY
2 PROPERTY WITH RIGHT OF SURVIVORSHIP.

3 M. IF A CO-OWNER OF A TRANSFERABLE INTEREST HELD AS JOINT TENANTS
4 WITH RIGHT OF SURVIVORSHIP OR COMMUNITY PROPERTY WITH RIGHT OF
5 SURVIVORSHIP TRANSFERS PART OR ALL OF THE CO-OWNER'S SHARE OF THE
6 TRANSFERABLE INTEREST, THE RIGHT OF SURVIVORSHIP IS EXTINGUISHED AND THE
7 CO-OWNERS OF THE TRANSFERABLE INTEREST AFTER THE TRANSFER HOLD THEIR
8 SHARES OF THE TRANSFERABLE INTEREST AS TENANTS IN COMMON. IN THE CASE OF
9 COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP, THE RIGHT OF SURVIVORSHIP
10 IS ALSO EXTINGUISHED AS PROVIDED IN SECTION 14-2803 OR 14-2804 OR ON THE
11 DELIVERY TO THE LIMITED LIABILITY COMPANY, AT ITS PRINCIPAL ADDRESS, OF AN
12 AFFIDAVIT ENTITLED "AFFIDAVIT TERMINATING RIGHT OF SURVIVORSHIP" THAT IS
13 EXECUTED BY EITHER SPOUSE UNDER OATH STATING THE SPOUSE'S INTENT TO
14 TERMINATE THE RIGHT OF SURVIVORSHIP AND DESCRIBING THE AFFECTED
15 TRANSFERABLE INTEREST. THE DELIVERY OF THE AFFIDAVIT DOES NOT EXTINGUISH
16 THE COMMUNITY PROPERTY INTEREST OF EITHER SPOUSE.

17 N. A LIMITED LIABILITY COMPANY IS NOT REQUIRED TO GIVE EFFECT TO
18 ANY CREATION OR EXTINGUISHMENT OF A RIGHT OF SURVIVORSHIP UNTIL THE
19 COMPANY HAS RECEIVED WRITTEN NOTICE OF THE CHANGE IN THE FORM OF OWNERSHIP
20 OR OF THE CREATION OR THE EXTINGUISHMENT OF A RIGHT OF SURVIVORSHIP AT ITS
21 PRINCIPAL ADDRESS.

22 O. WITH RESPECT TO A TRANSFERABLE INTEREST OWNED IN JOINT TENANCY
23 WITH RIGHT OF SURVIVORSHIP, TENANCY IN COMMON OR COMMUNITY PROPERTY WITH
24 OR WITHOUT RIGHT OF SURVIVORSHIP, IF A CHARGING ORDER FROM A COURT OF
25 COMPETENT JURISDICTION IS OBTAINED AGAINST A CO-OWNER'S SHARE OF THE
26 TRANSFERABLE INTEREST, IT SHALL ATTACH ONLY TO THAT CO-OWNER'S SHARE OR
27 PORTION OF THE TRANSFERABLE INTEREST AND NOT TO THE SHARE OR PORTION OF
28 THE OTHER CO-OWNER OR CO-OWNERS.

29 29-3402. Form of contribution

30 A CONTRIBUTION MAY CONSIST OF PROPERTY TRANSFERRED TO, SERVICES
31 PERFORMED FOR OR ANOTHER BENEFIT PROVIDED TO THE LIMITED LIABILITY COMPANY
32 OR AN AGREEMENT TO TRANSFER PROPERTY TO, PERFORM SERVICES FOR OR PROVIDE
33 ANOTHER BENEFIT TO THE COMPANY.

34 29-3403. Liability for contributions

35 A. A PERSON'S OBLIGATION TO MAKE A CONTRIBUTION TO A LIMITED
36 LIABILITY COMPANY IS NOT ENFORCEABLE UNLESS THE OBLIGATION IS SET FORTH IN
37 A RECORD SIGNED BY THE PERSON OR AS OTHERWISE PROVIDED IN SECTION 29-3502,
38 SUBSECTION H. A PERSON'S OBLIGATION TO MAKE A CONTRIBUTION TO THE COMPANY
39 IS NOT EXCUSED BY THE PERSON'S DEATH, DISABILITY, TERMINATION OR OTHER
40 INABILITY TO PERFORM PERSONALLY.

41 B. IF A PERSON DOES NOT FULFILL AN OBLIGATION TO MAKE A
42 CONTRIBUTION OTHER THAN MONEY, THE PERSON IS OBLIGATED AT THE OPTION OF
43 THE LIMITED LIABILITY COMPANY TO CONTRIBUTE MONIES EQUAL TO THE VALUE OF
44 THE PART OF THE CONTRIBUTION THAT HAS NOT BEEN MADE.

1 C. THE OBLIGATION OF A PERSON TO MAKE A CONTRIBUTION MAY BE
2 COMPROMISED ONLY BY THE AFFIRMATIVE VOTE OR CONSENT OF ALL THE MEMBERS.
3 IF A CREDITOR OF A LIMITED LIABILITY COMPANY EXTENDS CREDIT OR OTHERWISE
4 ACTS IN RELIANCE ON AN OBLIGATION DESCRIBED IN SUBSECTION A OF THIS
5 SECTION WITHOUT KNOWLEDGE OR NOTICE OF A COMPROMISE UNDER THIS SUBSECTION,
6 THE CREDITOR MAY ENFORCE THE OBLIGATION.

7 29-3404. Sharing of and right to distributions before
8 dissolution

9 A. ANY DISTRIBUTION MADE BY A LIMITED LIABILITY COMPANY BEFORE ITS
10 DISSOLUTION AND WINDING UP MUST BE IN EQUAL SHARES AMONG MEMBERS AND
11 PERSONS DISSOCIATED AS MEMBERS, EXCEPT TO THE EXTENT NECESSARY TO COMPLY
12 WITH A TRANSFER EFFECTIVE UNDER SECTION 29-3502 OR CHARGING ORDER IN
13 EFFECT UNDER SECTION 29-3503.

14 B. A PERSON HAS A RIGHT TO A DISTRIBUTION BEFORE THE DISSOLUTION
15 AND WINDING UP OF A LIMITED LIABILITY COMPANY ONLY IF THE COMPANY DECIDES
16 TO MAKE AN INTERIM DISTRIBUTION. A PERSON'S DISSOCIATION DOES NOT ENTITLE
17 THE PERSON TO A DISTRIBUTION.

18 C. A PERSON DOES NOT HAVE A RIGHT TO DEMAND OR RECEIVE A
19 DISTRIBUTION FROM A LIMITED LIABILITY COMPANY IN ANY FORM OTHER THAN
20 MONEY. EXCEPT AS OTHERWISE PROVIDED IN SECTION 29-3707, SUBSECTION D, A
21 COMPANY MAY DISTRIBUTE AN ASSET IN KIND ONLY IF EACH PART OF THE ASSET IS
22 FUNGIBLE WITH EACH OTHER PART AND EACH PERSON RECEIVES A PERCENTAGE OF THE
23 ASSET EQUAL IN VALUE TO THE PERSON'S SHARE OF DISTRIBUTIONS.

24 D. IF A MEMBER OR TRANSFEREE BECOMES ENTITLED TO RECEIVE A
25 DISTRIBUTION, THE MEMBER OR TRANSFEREE HAS THE STATUS OF, AND IS ENTITLED
26 TO ALL REMEDIES AVAILABLE TO, A CREDITOR OF THE LIMITED LIABILITY COMPANY
27 WITH RESPECT TO THE DISTRIBUTION. HOWEVER, THE COMPANY'S OBLIGATION TO
28 MAKE A DISTRIBUTION IS SUBJECT TO OFFSET FOR ANY AMOUNT OWED TO THE
29 COMPANY BY THE MEMBER OR A PERSON DISSOCIATED AS A MEMBER ON WHOSE ACCOUNT
30 THE DISTRIBUTION IS MADE.

31 29-3405. Limitations on distributions

32 A. A LIMITED LIABILITY COMPANY MAY NOT MAKE A DISTRIBUTION,
33 INCLUDING A DISTRIBUTION UNDER SECTION 29-3707, IF AFTER THE DISTRIBUTION
34 EITHER OF THE FOLLOWING APPLIES:

- 35 1. THE COMPANY WOULD NOT BE ABLE TO PAY ITS DEBTS AS THE DEBTS
36 BECOME DUE IN THE ORDINARY COURSE OF THE COMPANY'S ACTIVITIES AND AFFAIRS.
- 37 2. THE COMPANY'S TOTAL ASSETS WOULD BE LESS THAN THE SUM OF ITS
38 TOTAL LIABILITIES.

39 B. A LIMITED LIABILITY COMPANY MAY BASE A DETERMINATION THAT A
40 DISTRIBUTION IS NOT PROHIBITED UNDER SUBSECTION A OF THIS SECTION ON:

- 41 1. FINANCIAL STATEMENTS PREPARED ON THE BASIS OF ACCOUNTING
42 PRACTICES AND PRINCIPLES THAT ARE REASONABLE IN THE CIRCUMSTANCES.
- 43 2. A FAIR VALUATION OR OTHER METHOD THAT IS REASONABLE UNDER THE
44 CIRCUMSTANCES.

1 C. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION E OF THIS SECTION,
2 THE EFFECT OF A DISTRIBUTION UNDER SUBSECTION A OF THIS SECTION IS
3 MEASURED:

4 1. IN THE CASE OF A DISTRIBUTION THAT IS A REDEMPTION OR OTHER
5 PURCHASE BY A LIMITED LIABILITY COMPANY OF A TRANSFERABLE INTEREST OR THAT
6 IS A TRANSFER TO A MEMBER IN RETURN FOR THE MEMBER'S RELINQUISHMENT OF ANY
7 RIGHT TO PARTICIPATE AS A MEMBER IN THE MANAGEMENT OR CONDUCT OF THE
8 COMPANY'S ACTIVITIES AND AFFAIRS OR TO HAVE ACCESS TO RECORDS OR OTHER
9 INFORMATION CONCERNING THE COMPANY'S ACTIVITIES AND AFFAIRS, AS OF THE
10 EARLIER OF EITHER OF THE FOLLOWING:

11 (a) THE DATE THAT MONEY OR OTHER PROPERTY IS TRANSFERRED OR DEBT IS
12 INCURRED BY THE LIMITED LIABILITY COMPANY.

13 (b) THE DATE THAT THE PERSON ENTITLED TO THE DISTRIBUTION CEASES TO
14 OWN THE INTEREST OR RIGHT BEING ACQUIRED BY THE COMPANY IN RETURN FOR THE
15 DISTRIBUTION.

16 2. IN THE CASE OF ANY OTHER DISTRIBUTION OF INDEBTEDNESS, AS OF THE
17 DATE THE INDEBTEDNESS IS DISTRIBUTED.

18 3. IN ALL OTHER CASES, AS OF THE DATE OF EITHER OF THE FOLLOWING:

19 (a) THE DISTRIBUTION IS AUTHORIZED, IF THE PAYMENT OCCURS NOT LATER
20 THAN ONE HUNDRED TWENTY DAYS AFTER THAT DATE.

21 (b) THE PAYMENT IS MADE, IF THE PAYMENT OCCURS MORE THAN ONE
22 HUNDRED TWENTY DAYS AFTER THE DISTRIBUTION IS AUTHORIZED.

23 D. A LIMITED LIABILITY COMPANY'S INDEBTEDNESS TO A MEMBER OR
24 TRANSFEREE INCURRED BY REASON OF A DISTRIBUTION MADE IN ACCORDANCE WITH
25 THIS SECTION IS AT PARITY WITH THE COMPANY'S INDEBTEDNESS TO ITS GENERAL,
26 UNSECURED CREDITORS EXCEPT TO THE EXTENT SUBORDINATED BY AGREEMENT.

27 E. A LIMITED LIABILITY COMPANY'S INDEBTEDNESS, INCLUDING
28 INDEBTEDNESS ISSUED AS A DISTRIBUTION, IS NOT A LIABILITY FOR THE PURPOSES
29 OF SUBSECTION A OF THIS SECTION IF THE TERMS OF THE INDEBTEDNESS PROVIDE
30 THAT PAYMENT OF PRINCIPAL AND INTEREST IS MADE ONLY IF AND TO THE EXTENT
31 THAT PAYMENT OF A DISTRIBUTION COULD THEN BE MADE UNDER THIS SECTION. IF
32 THE INDEBTEDNESS IS ISSUED AS A DISTRIBUTION, EACH PAYMENT OF PRINCIPAL OR
33 INTEREST IS TREATED AS A DISTRIBUTION, THE EFFECT OF WHICH IS MEASURED ON
34 THE DATE THE PAYMENT IS MADE.

35 F. IN MEASURING THE EFFECT OF A DISTRIBUTION UNDER SECTION 29-3707,
36 THE LIABILITIES OF A DISSOLVED LIMITED LIABILITY COMPANY DO NOT INCLUDE
37 ANY CLAIM THAT HAS BEEN DISPOSED OF UNDER SECTION 29-3704, 29-3705 OR
38 29-3706.

39 29-3406. Liability for improper distributions

40 A. A PERSON THAT RECEIVES A DISTRIBUTION THAT VIOLATES SECTION
41 29-3405 IS PERSONALLY LIABLE TO THE LIMITED LIABILITY COMPANY BUT ONLY TO
42 THE EXTENT THAT THE DISTRIBUTION RECEIVED BY THE PERSON EXCEEDED THE
43 AMOUNT THAT COULD HAVE BEEN PROPERLY PAID TO THAT PERSON UNDER SECTION
44 29-3405.

1 B. AN ACTION UNDER THIS SECTION IS BARRED UNLESS COMMENCED NOT
2 LATER THAN THREE YEARS AFTER THE DISTRIBUTION.

3 29-3407. Management of limited liability company

4 A. MANAGEMENT OF A LIMITED LIABILITY COMPANY IS RESERVED TO ITS
5 MEMBERS UNLESS THE ARTICLES OF ORGANIZATION PROVIDE THAT THE COMPANY IS
6 MANAGED BY ONE OR MORE MANAGERS.

7 B. IN A MEMBER-MANAGED LIMITED LIABILITY COMPANY, THE FOLLOWING
8 APPLY:

9 1. EXCEPT AS EXPRESSLY PROVIDED IN THIS CHAPTER, THE MANAGEMENT AND
10 CONDUCT OF THE COMPANY ARE VESTED IN THE MEMBERS.

11 2. WITHIN THE ORDINARY COURSE OF THE COMPANY'S ACTIVITIES AND
12 AFFAIRS, EACH MEMBER HAS THE RIGHT TO MANAGE AND CONDUCT THE COMPANY'S
13 ACTIVITIES AND AFFAIRS.

14 3. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, A MAJORITY IN
15 INTEREST OF THE MEMBERS SHALL DECIDE ANY OF THE FOLLOWING:

16 (a) MATTERS THAT ARE OUTSIDE THE ORDINARY COURSE OF THE COMPANY'S
17 ACTIVITIES AND AFFAIRS BUT WITHIN THE COMPANY'S PURPOSE.

18 (b) MATTERS ON WHICH THERE EXISTS A KNOWN DIFFERENCE AMONG MEMBERS.

19 (c) WHETHER TO MAKE AN INTERIM DISTRIBUTION BEFORE DISSOLUTION AND
20 WINDING UP.

21 (d) WHETHER TO MAKE AN ADVANCE TO A MEMBER OR MANAGER UNDER SECTION
22 29-3408, SUBSECTION C.

23 4. THE AFFIRMATIVE VOTE OR CONSENT OF ALL THE MEMBERS IS REQUIRED
24 TO DO ANY OF THE FOLLOWING:

25 (a) UNDERTAKE, OR AUTHORIZE A MEMBER OR OTHER PERSON TO UNDERTAKE,
26 AN ACT OUTSIDE THE SCOPE OF THE COMPANY'S PURPOSE, AS STATED IN THE
27 OPERATING AGREEMENT, OR THAT OTHERWISE VIOLATES THE OPERATING AGREEMENT.

28 (b) AMEND THE OPERATING AGREEMENT.

29 (c) AUTHORIZE AN AMENDMENT TO THE ARTICLES OF ORGANIZATION THAT
30 CHANGES THE COMPANY FROM A MEMBER-MANAGED LIMITED LIABILITY COMPANY TO A
31 MANAGER-MANAGED LIMITED LIABILITY COMPANY.

32 (d) ISSUE A TRANSFERABLE INTEREST IN THE COMPANY TO ANY PERSON.

33 (e) TAKE ANY ACTION REQUIRING THE APPROVAL OF ALL MEMBERS UNDER
34 THIS CHAPTER.

35 C. IN A MANAGER-MANAGED LIMITED LIABILITY COMPANY, THE FOLLOWING
36 APPLY:

37 1. EXCEPT AS EXPRESSLY PROVIDED IN THIS CHAPTER, THE RIGHT TO
38 MANAGE THE COMPANY IS VESTED IN THE MANAGER OR MANAGERS.

39 2. WITHIN THE ORDINARY COURSE OF THE COMPANY'S ACTIVITIES AND
40 AFFAIRS, EACH MANAGER HAS THE RIGHT TO MANAGE AND CONDUCT THE COMPANY'S
41 ACTIVITIES AND AFFAIRS.

42 3. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, A MAJORITY OF THE
43 MANAGERS SHALL DECIDE ANY OF THE FOLLOWING:

44 (a) MATTERS THAT ARE OUTSIDE THE ORDINARY COURSE OF THE COMPANY'S
45 ACTIVITIES AND AFFAIRS BUT WITHIN THE COMPANY'S PURPOSE.

1 (b) MATTERS ON WHICH THERE EXISTS A KNOWN DIFFERENCE AMONG
2 MANAGERS.

3 (c) WHETHER TO MAKE AN INTERIM DISTRIBUTION BEFORE DISSOLUTION AND
4 WINDING UP.

5 (d) WHETHER TO MAKE AN ADVANCE TO A MEMBER OR MANAGER UNDER SECTION
6 29-3408, SUBSECTION C.

7 4. THE AFFIRMATIVE VOTE OR CONSENT OF ALL MEMBERS IS REQUIRED TO DO
8 ANY OF THE FOLLOWING:

9 (a) UNDERTAKE, OR AUTHORIZE A MANAGER, MEMBER OR OTHER PERSON TO
10 UNDERTAKE, AN ACT OUTSIDE THE SCOPE OF THE COMPANY'S PURPOSE, AS STATED IN
11 THE OPERATING AGREEMENT, OR THAT OTHERWISE VIOLATES THE OPERATING
12 AGREEMENT.

13 (b) AMEND THE OPERATING AGREEMENT.

14 (c) AUTHORIZE AN AMENDMENT TO THE ARTICLES OF ORGANIZATION THAT
15 CHANGES THE COMPANY FROM A MANAGER-MANAGED LIMITED LIABILITY COMPANY TO
16 MEMBER-MANAGED LIMITED LIABILITY COMPANY.

17 (d) ISSUE A TRANSFERABLE INTEREST IN THE LIMITED LIABILITY COMPANY
18 TO ANY PERSON.

19 (e) TAKE ANY ACTION REQUIRING THE APPROVAL OF ALL MEMBERS UNDER
20 THIS CHAPTER.

21 5. A MANAGER MAY BE CHOSEN AT ANY TIME BY THE AFFIRMATIVE VOTE OR
22 CONSENT OF A MAJORITY IN INTEREST OF THE MEMBERS AND REMAINS A MANAGER
23 UNTIL A SUCCESSOR HAS BEEN CHOSEN, UNLESS THE MANAGER AT AN EARLIER TIME
24 RESIGNS, IS REMOVED OR DIES OR, IN THE CASE OF A MANAGER THAT IS NOT AN
25 INDIVIDUAL, TERMINATES. A MANAGER MAY BE REMOVED AT ANY TIME BY THE
26 AFFIRMATIVE VOTE OR CONSENT OF A MAJORITY IN INTEREST OF THE MEMBERS
27 WITHOUT NOTICE OR CAUSE.

28 6. A PERSON IS NOT REQUIRED TO BE A MEMBER TO BE A MANAGER, BUT THE
29 DISSOCIATION OF A MEMBER THAT IS ALSO A MANAGER REMOVES THE PERSON AS A
30 MANAGER. IF A PERSON THAT IS BOTH A MANAGER AND A MEMBER CEASES TO BE A
31 MANAGER, THAT CESSATION DOES NOT BY ITSELF DISSOCIATE THE PERSON AS A
32 MEMBER.

33 7. A PERSON'S CEASING TO BE A MANAGER DOES NOT DISCHARGE ANY DEBT,
34 OBLIGATION OR OTHER LIABILITY TO THE LIMITED LIABILITY COMPANY OR MEMBERS
35 THAT THE PERSON INCURRED WHILE A MANAGER.

36 D. AN ACTION REQUIRING THE VOTE OR CONSENT OF MEMBERS OR MANAGERS
37 UNDER THIS CHAPTER MAY BE TAKEN WITHOUT A MEETING IF THE ACTION IS
38 APPROVED BY THE MINIMUM NUMBER OF MEMBERS OR MANAGERS REQUIRED TO APPROVE
39 THE ACTION. A MEMBER MAY APPOINT A PROXY OR OTHER AGENT TO VOTE, CONSENT
40 OR OTHERWISE ACT FOR THE MEMBER BY SIGNING AN APPOINTING RECORD,
41 PERSONALLY OR BY THE MEMBER'S AGENT.

42 E. THE DISSOLUTION OF A LIMITED LIABILITY COMPANY DOES NOT AFFECT
43 THE APPLICABILITY OF THIS SECTION. HOWEVER, A PERSON THAT WRONGFULLY
44 CAUSES DISSOLUTION OF THE COMPANY LOSES THE RIGHT TO PARTICIPATE IN
45 MANAGEMENT AS A MEMBER AND A MANAGER AND THAT PERSON MAY NOT BE INCLUDED

1 IN DETERMINING WHETHER A MAJORITY IN INTEREST OF THE MEMBERS OR, IN THE
2 CASE OF A MANAGER-MANAGED LIMITED LIABILITY COMPANY, A MAJORITY OF THE
3 MANAGERS HAS VOTED FOR OR CONSENTED TO ANY MATTER OR ACTION.

4 F. A LIMITED LIABILITY COMPANY SHALL REIMBURSE A MEMBER FOR AN
5 ADVANCE TO THE COMPANY BEYOND THE AMOUNT OF CAPITAL THE MEMBER AGREED TO
6 CONTRIBUTE.

7 G. A MEMBER IS NOT ENTITLED TO REMUNERATION FOR SERVICES PERFORMED
8 FOR A MEMBER-MANAGED LIMITED LIABILITY COMPANY EXCEPT FOR REASONABLE
9 COMPENSATION FOR SERVICES RENDERED IN WINDING UP THE ACTIVITIES OF THE
10 COMPANY.

11 29-3408. Reimbursement; indemnification; advancement;
12 insurance

13 A. A LIMITED LIABILITY COMPANY SHALL REIMBURSE A PRESENT OR FORMER
14 MEMBER OF A MEMBER-MANAGED COMPANY OR MANAGER OF A MANAGER-MANAGED COMPANY
15 FOR ANY PAYMENT MADE BY THE MEMBER OR MANAGER IN THE COURSE OF THE
16 MEMBER'S OR MANAGER'S ACTIVITIES ON BEHALF OF THE COMPANY IF THE MEMBER OR
17 MANAGER COMPLIED WITH SECTIONS 29-3405, 29-3407 AND 29-3409, IN EACH CASE
18 AS MODIFIED BY THE OPERATING AGREEMENT, IN MAKING THE PAYMENT.

19 B. A LIMITED LIABILITY COMPANY SHALL INDEMNIFY AND HOLD HARMLESS A
20 PERSON WITH RESPECT TO ANY CLAIM OR DEMAND AGAINST THE PERSON AND ANY
21 DEBT, OBLIGATION OR OTHER LIABILITY INCURRED BY THE PERSON BY REASON OF
22 THE PERSON'S FORMER OR PRESENT CAPACITY AS A MEMBER OR MANAGER IF THE
23 CLAIM, DEMAND, DEBT, OBLIGATION OR OTHER LIABILITY DOES NOT ARISE FROM THE
24 PERSON'S BREACH OF THE OPERATING AGREEMENT OR SECTION 29-3405, 29-3407 OR
25 29-3409, IN EACH CASE AS MODIFIED BY THE OPERATING AGREEMENT.

26 C. A LIMITED LIABILITY COMPANY MAY ADVANCE REASONABLE EXPENSES,
27 INCLUDING ATTORNEY FEES AND COSTS, INCURRED BY A PERSON IN CONNECTION WITH
28 A CLAIM OR DEMAND AGAINST THE PERSON BY REASON OF THE PERSON'S FORMER OR
29 PRESENT CAPACITY AS A MEMBER OR MANAGER, BUT THE PERSON MUST REPAY THE
30 COMPANY IF THE PERSON ULTIMATELY IS DETERMINED NOT TO BE ENTITLED TO BE
31 INDEMNIFIED UNDER SUBSECTION B OF THIS SECTION.

32 D. A LIMITED LIABILITY COMPANY MAY REIMBURSE, INDEMNIFY AND HOLD
33 HARMLESS A PRESENT OR FORMER MEMBER OF A MEMBER-MANAGED COMPANY OR MANAGER
34 OF A MANAGER-MANAGED COMPANY FOR ANY PAYMENT AND WITH RESPECT TO ANY
35 CLAIM, DEMAND, DEBT, OBLIGATION OR OTHER LIABILITY, EXCEPT THAT THE
36 APPROVAL OF ALL MEMBERS, AFTER DISCLOSURE OF ALL MATERIAL FACTS, IS
37 REQUIRED TO REIMBURSE, INDEMNIFY OR HOLD HARMLESS A PERSON WITH RESPECT TO
38 ANY ACT, OMISSION OR TRANSACTION BY THE PERSON THAT CONSTITUTES A
39 VIOLATION OF THE OPERATING AGREEMENT OR SECTION 29-3405, 29-3407 OR
40 29-3409, IN EACH CASE AS MODIFIED BY THE OPERATING AGREEMENT.

41 E. A LIMITED LIABILITY COMPANY MAY PURCHASE AND MAINTAIN INSURANCE
42 ON BEHALF OF A MEMBER OR MANAGER AGAINST LIABILITY ASSERTED AGAINST OR
43 INCURRED BY THE MEMBER OR MANAGER IN THAT CAPACITY OR ARISING FROM THAT
44 STATUS EVEN IF, UNDER SECTION 29-3105, SUBSECTION C, PARAGRAPH 6, THE

1 OPERATING AGREEMENT COULD NOT ELIMINATE OR LIMIT THE PERSON'S LIABILITY TO
2 THE COMPANY FOR THE CONDUCT GIVING RISE TO THE LIABILITY.

3 29-3409. Standards of conduct for members and managers

4 A. A MEMBER OF A MEMBER-MANAGED LIMITED LIABILITY COMPANY OWES TO
5 THE COMPANY AND THE OTHER MEMBERS THE DUTIES OF LOYALTY AND CARE STATED IN
6 SUBSECTIONS B AND C OF THIS SECTION.

7 B. THE FIDUCIARY DUTY OF LOYALTY OF A MEMBER IN A MEMBER-MANAGED
8 LIMITED LIABILITY COMPANY INCLUDES THE FOLLOWING DUTIES:

9 1. TO ACCOUNT TO THE COMPANY AND HOLD AS TRUSTEE FOR THE COMPANY
10 ANY PROPERTY, PROFIT OR BENEFIT DERIVED BY THE MEMBER TO WHICH THE MEMBER
11 IS NOT ENTITLED:

12 (a) IN THE CONDUCT OR WINDING UP OF THE COMPANY'S ACTIVITIES AND
13 AFFAIRS.

14 (b) FROM A USE BY THE MEMBER OF THE COMPANY'S PROPERTY.

15 (c) FROM THE APPROPRIATION OF A COMPANY OPPORTUNITY.

16 2. TO REFRAIN FROM DEALING WITH THE COMPANY IN THE CONDUCT OR
17 WINDING UP OF THE COMPANY'S ACTIVITIES AND AFFAIRS AS OR ON BEHALF OF A
18 PERSON HAVING AN INTEREST ADVERSE TO THE COMPANY.

19 3. TO REFRAIN FROM COMPETING WITH THE COMPANY IN THE CONDUCT OF THE
20 COMPANY'S ACTIVITIES AND AFFAIRS BEFORE THE DISSOLUTION OF THE COMPANY.

21 4. TO DISCLOSE TO EACH OF THE OTHER MEMBERS THAT ARE CONSIDERING OR
22 VOTING ON A DECISION OR TRANSACTION REGARDING THE COMPANY OR ONE OR MORE
23 OF THE MEMBERS' INTERESTS IN THE COMPANY BOTH OF THE FOLLOWING:

24 (a) ANY MATERIAL CONFLICT OF INTEREST ON THE PART OF THE DISCLOSING
25 MEMBER WITH RESPECT TO THE DECISION OR TRANSACTION.

26 (b) IF A MATERIAL CONFLICT OF INTEREST EXISTS, ALL MATERIAL FACTS
27 RELATING TO THE DECISION OR TRANSACTION THAT ARE WITHIN THE DISCLOSING
28 MEMBER'S KNOWLEDGE AND NOT KNOWN OR REASONABLY AVAILABLE TO THE AFFECTED
29 MEMBERS.

30 C. THE DUTY OF CARE OF A MEMBER OF A MEMBER-MANAGED LIMITED
31 LIABILITY COMPANY IN THE CONDUCT OR WINDING UP OF THE COMPANY'S ACTIVITIES
32 AND AFFAIRS IS TO REFRAIN FROM ENGAGING IN GROSSLY NEGLIGENT OR RECKLESS
33 CONDUCT OR WILFUL OR INTENTIONAL MISCONDUCT.

34 D. A MEMBER SHALL DISCHARGE THE DUTIES AND OBLIGATIONS UNDER THIS
35 CHAPTER OR UNDER THE OPERATING AGREEMENT AND EXERCISE ANY RIGHT
36 CONSISTENTLY WITH THE CONTRACTUAL OBLIGATION OF GOOD FAITH AND FAIR
37 DEALING.

38 E. A MEMBER DOES NOT VIOLATE A DUTY OR OBLIGATION UNDER THIS
39 CHAPTER OR UNDER THE OPERATING AGREEMENT SOLELY BECAUSE THE MEMBER'S
40 CONDUCT FURTHERS THE MEMBER'S OWN INTEREST.

41 F. ALL THE MEMBERS OF A MEMBER-MANAGED LIMITED LIABILITY COMPANY
42 MAY AUTHORIZE OR RATIFY, AFTER DISCLOSURE OF ALL MATERIAL FACTS, A
43 SPECIFIC ACT, OMISSION OR TRANSACTION OR SPECIFIC CATEGORY OF ACTS,
44 OMISSIONS OR TRANSACTIONS THAT OTHERWISE WOULD VIOLATE THE DUTY OF
45 LOYALTY, AS EXPANDED, LIMITED OR ELIMINATED IN THE OPERATING AGREEMENT.

1 G. IT IS A DEFENSE TO A CLAIM UNDER SUBSECTION B, PARAGRAPH 2 OR 4
2 OF THIS SECTION AND ANY COMPARABLE CLAIM IN EQUITY OR AT COMMON LAW THAT
3 THE TRANSACTION OR DECISION WAS FAIR TO THE LIMITED LIABILITY COMPANY.

4 H. IF, AS ALLOWED BY SUBSECTION F OR Q OF THIS SECTION OR THE
5 OPERATING AGREEMENT, A MEMBER ENTERS INTO A TRANSACTION WITH THE LIMITED
6 LIABILITY COMPANY THAT OTHERWISE WOULD BE PROHIBITED BY SUBSECTION B,
7 PARAGRAPH 2 OF THIS SECTION, THE MEMBER'S RIGHTS AND OBLIGATIONS ARISING
8 FROM THE TRANSACTION ARE THE SAME AS THOSE OF A PERSON THAT IS NOT A
9 MEMBER.

10 I. A MANAGER OF A MANAGER-MANAGED LIMITED LIABILITY COMPANY OWES TO
11 THE COMPANY AND THE MEMBERS THE DUTIES OF LOYALTY AND CARE STATED IN
12 SUBSECTIONS J AND K OF THIS SECTION.

13 J. THE FIDUCIARY DUTY OF LOYALTY OF A MANAGER IN A MANAGER-MANAGED
14 LIMITED LIABILITY COMPANY INCLUDES THE FOLLOWING DUTIES:

15 1. TO ACCOUNT TO THE COMPANY AND HOLD AS TRUSTEE FOR THE COMPANY
16 ANY PROPERTY, PROFIT OR BENEFIT DERIVED BY THE MANAGER TO WHICH THE
17 MANAGER IS NOT ENTITLED:

18 (a) IN THE CONDUCT OR WINDING UP OF THE COMPANY'S ACTIVITIES AND
19 AFFAIRS.

20 (b) FROM A USE BY THE MANAGER OF THE COMPANY'S PROPERTY.

21 (c) FROM THE APPROPRIATION OF A COMPANY OPPORTUNITY.

22 2. TO REFRAIN FROM DEALING WITH THE COMPANY IN THE CONDUCT OR
23 WINDING UP OF THE COMPANY'S ACTIVITIES AND AFFAIRS AS OR ON BEHALF OF A
24 PERSON HAVING AN INTEREST ADVERSE TO THE COMPANY.

25 3. TO REFRAIN FROM COMPETING WITH THE COMPANY IN THE CONDUCT OF THE
26 COMPANY'S ACTIVITIES AND AFFAIRS BEFORE THE DISSOLUTION OF THE COMPANY.

27 4. TO DISCLOSE TO EACH OF THE OTHER MEMBERS AND MANAGERS WHO ARE
28 CONSIDERING OR VOTING ON A DECISION OR TRANSACTION REGARDING THE COMPANY
29 OR ONE OR MORE OF THE MEMBERS' INTERESTS IN THE COMPANY BOTH OF THE
30 FOLLOWING:

31 (a) ANY MATERIAL CONFLICT OF INTEREST ON THE PART OF THE DISCLOSING
32 MANAGER WITH RESPECT TO THE DECISION OR TRANSACTION.

33 (b) IF A MATERIAL CONFLICT OF INTEREST EXISTS, ALL MATERIAL FACTS
34 RELATING TO THE DECISION OR TRANSACTION THAT ARE WITHIN THE DISCLOSING
35 MANAGER'S KNOWLEDGE AND NOT KNOWN OR REASONABLY AVAILABLE TO THE AFFECTED
36 MEMBERS OR MANAGERS.

37 K. THE DUTY OF CARE OF A MANAGER OF A MANAGER-MANAGED LIMITED
38 LIABILITY COMPANY IN THE CONDUCT OR WINDING UP OF THE COMPANY'S ACTIVITIES
39 AND AFFAIRS IS TO REFRAIN FROM ENGAGING IN GROSSLY NEGLIGENT OR RECKLESS
40 CONDUCT OR WILFUL OR INTENTIONAL MISCONDUCT.

41 L. A MANAGER SHALL DISCHARGE THE DUTIES AND OBLIGATIONS UNDER THIS
42 CHAPTER OR UNDER THE OPERATING AGREEMENT AND EXERCISE ANY RIGHT
43 CONSISTENTLY WITH THE CONTRACTUAL OBLIGATION OF GOOD FAITH AND FAIR
44 DEALING.

1 M. A MANAGER DOES NOT VIOLATE A DUTY OR OBLIGATION UNDER THIS
2 CHAPTER OR UNDER THE OPERATING AGREEMENT SOLELY BECAUSE THE MANAGER'S
3 CONDUCT FURTHERS THE MANAGER'S OWN INTEREST.

4 N. ALL THE MEMBERS OF A MANAGER-MANAGED LIMITED LIABILITY COMPANY
5 MAY AUTHORIZE OR RATIFY, AFTER DISCLOSURE OF ALL MATERIAL FACTS, A
6 SPECIFIC ACT, OMISSION OR TRANSACTION OR SPECIFIC CATEGORY OF ACTS,
7 OMISSIONS OR TRANSACTIONS THAT OTHERWISE WOULD VIOLATE THE DUTY OF
8 LOYALTY, AS EXPANDED, LIMITED OR ELIMINATED IN THE OPERATING AGREEMENT.

9 O. IT IS A DEFENSE TO A CLAIM UNDER SUBSECTION J, PARAGRAPH 2 OR 4
10 OF THIS SECTION AND ANY COMPARABLE CLAIM IN EQUITY OR AT COMMON LAW THAT
11 THE TRANSACTION OR DECISION WAS FAIR TO THE LIMITED LIABILITY COMPANY.

12 P. IF, AS ALLOWED BY SUBSECTION N OF THIS SECTION OR THE OPERATING
13 AGREEMENT, A MANAGER ENTERS INTO A TRANSACTION WITH THE LIMITED LIABILITY
14 COMPANY THAT WOULD OTHERWISE BE PROHIBITED BY SUBSECTION J, PARAGRAPH 2 OF
15 THIS SECTION, THE MANAGER'S RIGHTS AND OBLIGATIONS ARISING FROM THE
16 TRANSACTION ARE THE SAME AS THOSE OF A PERSON THAT IS NOT A MANAGER.

17 Q. IN A MANAGER-MANAGED LIMITED LIABILITY COMPANY, A MEMBER DOES
18 NOT HAVE ANY FIDUCIARY DUTY TO THE COMPANY OR TO ANY OTHER MEMBER SOLELY
19 BY REASON OF BEING A MEMBER. WHETHER AND THE EXTENT TO WHICH A MEMBER OF
20 A MANAGER-MANAGED LIMITED LIABILITY COMPANY OWES FIDUCIARY DUTIES TO THE
21 COMPANY OR THE OTHER MEMBERS DEPENDS ON THE EXTENT TO WHICH THE MEMBER
22 CONTROLS OR PARTICIPATES IN THE MANAGEMENT OR THE AFFAIRS OF THE COMPANY
23 AND SHALL BE DETERMINED IN ACCORDANCE WITH THE POLICIES OF THIS SECTION
24 AND LAWS OTHER THAN THIS CHAPTER.

25 R. A CONFLICT OF INTEREST IS MATERIAL IF THE CONFLICT WOULD
26 REASONABLY BE EXPECTED TO AFFECT A MEMBER'S OR MANAGER'S JUDGMENT
27 REGARDING THE DECISION OR TRANSACTION UNDER CONSIDERATION.

28 29-3410. Records to be kept; rights to information and
29 records of member, manager and person dissociated
30 as member

31 A. A LIMITED LIABILITY COMPANY SHALL KEEP ALL OF THE FOLLOWING:

32 1. A CURRENT LIST OF THE FULL NAME AND LAST KNOWN ADDRESS OF EACH
33 MEMBER AND MANAGER.

34 2. A COPY OF THE ARTICLES OF ORGANIZATION AND ALL AMENDMENTS TO THE
35 ARTICLES OF ORGANIZATION.

36 3. A COPY OF ALL CURRENT AND PRIOR WRITTEN OPERATING AGREEMENTS AND
37 AMENDMENTS TO ALL CURRENT AND PRIOR WRITTEN OPERATING AGREEMENTS.

38 4. ANY RECORD OF A MEMBER'S OBLIGATION TO MAKE A CAPITAL
39 CONTRIBUTION TO THE COMPANY.

40 5. A COPY OF THE COMPANY'S FEDERAL, STATE AND LOCAL INCOME TAX
41 RETURNS AND REPORTS, IF ANY, FOR THE THREE MOST RECENT YEARS.

42 6. A COPY OF THE COMPANY'S FINANCIAL STATEMENTS, IF ANY, FOR THE
43 THREE MOST RECENT YEARS.

44 B. DURING REGULAR BUSINESS HOURS AND AT A REASONABLE LOCATION
45 SPECIFIED BY THE LIMITED LIABILITY COMPANY, A MEMBER OR MANAGER MAY

1 INSPECT AND COPY THE RECORDS DESCRIBED IN SUBSECTION A OF THIS SECTION AND
2 ANY OTHER COMPANY RECORD REGARDING THE ACTIVITIES, AFFAIRS, FINANCIAL
3 CONDITION AND OTHER CIRCUMSTANCES OF THE COMPANY AS IS JUST AND REASONABLE
4 IF ALL OF THE FOLLOWING APPLY:

5 1. THE MEMBER OR MANAGER SEEKS THE RECORDS FOR A PURPOSE REASONABLY
6 RELATED TO THE RIGHTS AND DUTIES OF THE MEMBER OR MANAGER UNDER THE
7 OPERATING AGREEMENT OR THIS CHAPTER.

8 2. THE MEMBER OR MANAGER MAKES A DEMAND IN A RECORD RECEIVED BY THE
9 COMPANY DESCRIBING WITH REASONABLE PARTICULARITY THE RECORDS SOUGHT AND
10 THE PURPOSE FOR SEEKING THE RECORDS.

11 3. THE RECORDS SOUGHT ARE DIRECTLY CONNECTED TO THE MEMBER'S OR
12 MANAGER'S PURPOSE.

13 C. NOT LATER THAN TEN DAYS AFTER RECEIVING A DEMAND PURSUANT TO
14 SUBSECTION B, PARAGRAPH 2 OF THIS SECTION, THE LIMITED LIABILITY COMPANY
15 SHALL INFORM IN A RECORD THE MEMBER OR MANAGER THAT MADE THE DEMAND OF:

16 1. THE RECORDS THAT THE COMPANY WILL MAKE AVAILABLE IN RESPONSE TO
17 THE DEMAND AND WHEN AND WHERE THE COMPANY WILL MAKE THE RECORDS AVAILABLE.
18 THE TIME AND LOCATION MAY NOT BE UNREASONABLE UNDER THE CIRCUMSTANCES.

19 2. THE REASONS FOR DECLINING IF THE COMPANY DECLINES TO PROVIDE ANY
20 DEMANDED RECORDS.

21 D. WHENEVER THIS CHAPTER OR THE OPERATING AGREEMENT PROVIDES FOR A
22 MEMBER OR MANAGER TO VOTE ON OR GIVE OR WITHHOLD CONSENT TO A MATTER,
23 BEFORE THE VOTE IS CAST OR CONSENT IS GIVEN OR WITHHELD, THE LIMITED
24 LIABILITY COMPANY, WITHOUT DEMAND, SHALL PROVIDE THE MEMBER OR MANAGER
25 WITH ALL INFORMATION THAT IS KNOWN TO THE COMPANY AND ALL RECORDS IN THE
26 COMPANY'S POSSESSION THAT ARE MATERIAL TO THE MEMBER'S OR MANAGER'S
27 DECISION EXCEPT TO THE EXTENT THE COMPANY REASONABLY BELIEVES THAT THE
28 MEMBER OR MANAGER ALREADY KNOWS THE INFORMATION OR IS IN POSSESSION OF THE
29 RECORDS.

30 E. TO THE EXTENT THAT SOME OR ALL OF A LIMITED LIABILITY COMPANY'S
31 RECORDS ARE MAINTAINED BY A MEMBER OR MANAGER, THE MEMBER OR MANAGER SHALL
32 MAKE THOSE RECORDS AVAILABLE TO THE COMPANY AS NECESSARY FOR THE COMPANY
33 TO SATISFY ITS OBLIGATIONS PURSUANT TO THIS SECTION.

34 F. SUBJECT TO SUBSECTION L OF THIS SECTION, ON TEN DAYS' DEMAND
35 MADE IN A RECORD RECEIVED BY A LIMITED LIABILITY COMPANY, A PERSON
36 DISSOCIATED AS A MEMBER MAY HAVE ACCESS TO THE RECORDS TO WHICH THE PERSON
37 WAS ENTITLED WHILE A MEMBER IF ALL OF THE FOLLOWING APPLY:

38 1. THE RECORDS PERTAIN TO THE PERIOD DURING WHICH THE PERSON WAS A
39 MEMBER.

40 2. THE PERSON SEEKS THE RECORDS IN GOOD FAITH.

41 3. THE PERSON SATISFIES THE REQUIREMENTS IMPOSED ON A MEMBER BY
42 SUBSECTION B OF THIS SECTION.

43 G. A LIMITED LIABILITY COMPANY SHALL RESPOND TO A DEMAND MADE
44 PURSUANT TO SUBSECTION F OF THIS SECTION IN THE MANNER PROVIDED IN
45 SUBSECTION C OF THIS SECTION.

1 H. A LIMITED LIABILITY COMPANY MAY CHARGE A PERSON THAT MAKES A
2 DEMAND UNDER THIS SECTION THE REASONABLE COSTS OF COPYING, LIMITED TO THE
3 COSTS OF LABOR AND MATERIAL.

4 I. A MEMBER OR PERSON DISSOCIATED AS A MEMBER MAY EXERCISE THE
5 RIGHTS UNDER THIS SECTION THROUGH AN AGENT OR, IN THE CASE OF AN
6 INDIVIDUAL UNDER LEGAL DISABILITY, A LEGAL REPRESENTATIVE. ANY
7 RESTRICTION OR CONDITION IMPOSED BY THE OPERATING AGREEMENT OR UNDER
8 SUBSECTION K OF THIS SECTION APPLIES BOTH TO THE AGENT OR LEGAL
9 REPRESENTATIVE AND TO THE MEMBER OR PERSON DISSOCIATED AS A MEMBER.

10 J. SUBJECT TO SECTIONS 29-3502 AND 29-3504, THE RIGHTS UNDER THIS
11 SECTION DO NOT EXTEND TO A PERSON AS TRANSFEREE.

12 K. IN ADDITION TO ANY RESTRICTION OR CONDITION STATED IN ITS
13 OPERATING AGREEMENT, A LIMITED LIABILITY COMPANY MAY IMPOSE REASONABLE
14 RESTRICTIONS AND CONDITIONS ON ACCESS TO AND USE OF INFORMATION TO BE
15 FURNISHED AND RECORDS TO BE MADE AVAILABLE UNDER THIS SECTION, INCLUDING
16 DESIGNATING INFORMATION AND RECORDS CONFIDENTIAL AND IMPOSING
17 NONDISCLOSURE AND SAFEGUARDING OBLIGATIONS ON THE RECIPIENT. IN A DISPUTE
18 CONCERNING THE REASONABLENESS OF A RESTRICTION UNDER THIS SUBSECTION, THE
19 COMPANY HAS THE BURDEN OF PROVING REASONABLENESS.

20 L. IF A DISPUTE ARISES REGARDING A MEMBER'S OR MANAGER'S RIGHT
21 UNDER THIS SECTION TO OBTAIN INFORMATION OR INSPECT OR COPY A RECORD, OR
22 REGARDING WHETHER ANY RESTRICTION IMPOSED BY THE LIMITED LIABILITY COMPANY
23 ON A MEMBER'S OR MANAGER'S RIGHT TO OBTAIN, INSPECT, COPY OR USE ANY SUCH
24 INFORMATION OR RECORD IS UNREASONABLE, THE COURT MAY AWARD THE SUCCESSFUL
25 PARTY REASONABLE EXPENSES, INCLUDING REASONABLE ATTORNEY FEES AND COSTS.

26 ARTICLE 5. TRANSFERABLE INTERESTS AND RIGHTS
27 OF TRANSFEREES AND CREDITORS

28 29-3501. Nature of transferable interest

29 A TRANSFERABLE INTEREST IS PERSONAL PROPERTY.

30 29-3502. Transfer of transferable interest

31 A. A TRANSFER, IN WHOLE OR IN PART, OF A TRANSFERABLE INTEREST:

32 1. IS PERMISSIBLE.

33 2. DOES NOT BY ITSELF CAUSE A PERSON'S DISSOCIATION AS A MEMBER OR
34 A DISSOLUTION AND WINDING UP OF THE LIMITED LIABILITY COMPANY'S ACTIVITIES
35 AND AFFAIRS.

36 3. SUBJECT TO SECTION 29-3504, DOES NOT ENTITLE THE TRANSFEREE TO
37 EITHER OF THE FOLLOWING:

38 (a) PARTICIPATE IN THE MANAGEMENT OR CONDUCT OF THE COMPANY'S
39 ACTIVITIES AND AFFAIRS.

40 (b) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS B AND C OF THIS
41 SECTION, HAVE ACCESS TO RECORDS OR OTHER INFORMATION CONCERNING THE
42 COMPANY'S ACTIVITIES AND AFFAIRS.

43 B. A TRANSFEREE HAS THE RIGHT TO RECEIVE, IN ACCORDANCE WITH THE
44 TRANSFER, DISTRIBUTIONS TO WHICH THE TRANSFEROR WOULD OTHERWISE BE
45 ENTITLED. SOLELY FOR A PURPOSE THAT IS REASONABLY RELATED TO THE

1 TRANSFEREE'S RIGHT TO RECEIVE DISTRIBUTIONS, A TRANSFEREE HAS THE RIGHTS
2 TO INFORMATION UNDER SECTION 29-3410, SUBSECTION B.

3 C. IN A DISSOLUTION AND WINDING UP OF A LIMITED LIABILITY COMPANY,
4 A TRANSFEREE IS ENTITLED TO AN ACCOUNT OF THE COMPANY'S TRANSACTIONS ONLY
5 FROM THE DATE OF DISSOLUTION.

6 D. A TRANSFERABLE INTEREST MAY BE EVIDENCED BY A CERTIFICATE OF THE
7 INTEREST ISSUED BY A LIMITED LIABILITY COMPANY IN A RECORD, AND, SUBJECT
8 TO THIS SECTION, THE INTEREST REPRESENTED BY THE CERTIFICATE MAY BE
9 TRANSFERRED BY A TRANSFER OF THE CERTIFICATE. A COMPANY MAY NOT ISSUE A
10 CERTIFICATE OF THE INTEREST IN BEARER FORM.

11 E. A LIMITED LIABILITY COMPANY IS NOT REQUIRED TO GIVE EFFECT TO A
12 TRANSFEREE'S RIGHTS UNDER THIS SECTION UNTIL THE COMPANY KNOWS OR HAS
13 NOTICE OF THE TRANSFER.

14 F. A TRANSFER OF A TRANSFERABLE INTEREST IN VIOLATION OF A
15 RESTRICTION ON TRANSFER IS INEFFECTIVE IF THE INTENDED TRANSFEREE HAS
16 KNOWLEDGE OR NOTICE OF THE RESTRICTION AT THE TIME OF THE TRANSFER OR IF
17 THE RESTRICTION IS SET FORTH IN AN OPERATING AGREEMENT EMBODIED IN A
18 SIGNED RECORD.

19 G. EXCEPT AS OTHERWISE PROVIDED IN SECTION 29-3602, PARAGRAPH 4,
20 SUBDIVISION (b), IF A MEMBER TRANSFERS A TRANSFERABLE INTEREST, THE
21 TRANSFEROR RETAINS THE RIGHTS OF A MEMBER OTHER THAN THE TRANSFERABLE
22 INTEREST TRANSFERRED AND RETAINS ALL THE DUTIES AND OBLIGATIONS OF A
23 MEMBER.

24 H. IF A MEMBER TRANSFERS A TRANSFERABLE INTEREST TO A PERSON THAT
25 BECOMES A MEMBER WITH RESPECT TO THE TRANSFERRED INTEREST, THE TRANSFEREE
26 IS LIABLE FOR THE MEMBER'S OBLIGATIONS UNDER SECTIONS 29-3403 AND 29-3406
27 THAT ARE KNOWN TO THE TRANSFEREE WHEN THE TRANSFEREE BECOMES A MEMBER OR
28 THAT ARE SET FORTH IN AN OPERATING AGREEMENT EMBODIED IN A SIGNED RECORD.

29 29-3503. Charging order

30 A. ON APPLICATION BY A JUDGMENT CREDITOR OF A MEMBER OR TRANSFEREE,
31 A COURT MAY ENTER A CHARGING ORDER AGAINST THE TRANSFERABLE INTEREST OF
32 THE JUDGMENT DEBTOR FOR THE UNSATISFIED AMOUNT OF THE JUDGMENT. A
33 CHARGING ORDER REQUIRES THE LIMITED LIABILITY COMPANY TO PAY OVER TO THE
34 PERSON TO WHICH THE CHARGING ORDER WAS ISSUED ANY DISTRIBUTION THAT
35 OTHERWISE WOULD BE PAID TO THE JUDGMENT DEBTOR.

36 B. THE MEMBER OR TRANSFEREE WHOSE TRANSFERABLE INTEREST IS SUBJECT
37 TO A CHARGING ORDER UNDER SUBSECTION A OF THIS SECTION MAY EXTINGUISH THE
38 CHARGING ORDER BY SATISFYING THE JUDGMENT AND FILING A CERTIFIED COPY OF
39 THE SATISFACTION WITH THE COURT THAT ISSUED THE CHARGING ORDER.

40 C. A LIMITED LIABILITY COMPANY OR ONE OR MORE MEMBERS WHOSE
41 TRANSFERABLE INTERESTS ARE NOT SUBJECT TO THE CHARGING ORDER MAY PAY TO
42 THE JUDGMENT CREDITOR THE FULL AMOUNT DUE UNDER THE JUDGMENT AND THEREBY
43 SUCCEED TO THE RIGHTS OF THE JUDGMENT CREDITOR, INCLUDING THE CHARGING
44 ORDER.

1 D. THIS CHAPTER DOES NOT DEPRIVE ANY MEMBER OR TRANSFEREE OF THE
2 BENEFIT OF ANY EXEMPTION LAW APPLICABLE TO THE TRANSFERABLE INTEREST OF
3 THE MEMBER OR TRANSFEREE.

4 E. THIS SECTION PROVIDES THE EXCLUSIVE REMEDY BY WHICH A PERSON
5 SEEKING IN THE CAPACITY OF JUDGMENT CREDITOR TO ENFORCE A JUDGMENT AGAINST
6 A MEMBER OR TRANSFEREE MAY SATISFY THE JUDGMENT FROM THE JUDGMENT DEBTOR'S
7 TRANSFERABLE INTEREST.

8 29-3504. Power of legal representative of deceased member

9 IF A MEMBER DIES, THE DECEASED MEMBER'S LEGAL REPRESENTATIVE MAY
10 EXERCISE BOTH OF THE FOLLOWING:

11 1. THE RIGHTS OF A TRANSFEREE PROVIDED IN SECTION 29-3502,
12 SUBSECTION C.

13 2. FOR THE PURPOSES OF SETTLING THE ESTATE, THE RIGHTS THE DECEASED
14 MEMBER HAD UNDER SECTION 29-3410.

15 ARTICLE 6. DISSOCIATION

16 29-3601. Power to dissociate as member; wrongful dissociation

17 A. A PERSON HAS THE POWER TO DISSOCIATE AS A MEMBER AT ANY TIME,
18 RIGHTFULLY OR WRONGFULLY, BY WITHDRAWING AS A MEMBER BY EXPRESS WILL UNDER
19 SECTION 29-3602, PARAGRAPH 1.

20 B. A PERSON'S DISSOCIATION AS A MEMBER IS WRONGFUL ONLY IF THE
21 DISSOCIATION EITHER:

22 1. IS IN BREACH OF AN EXPRESS PROVISION OF THE OPERATING AGREEMENT.

23 2. OCCURS BEFORE THE COMPLETION OF THE WINDING UP OF THE LIMITED
24 LIABILITY COMPANY AND EITHER:

25 (a) THE PERSON IS EXPELLED AS A MEMBER BY JUDICIAL ORDER UNDER
26 SECTION 29-3602, PARAGRAPH 5.

27 (b) THE PERSON IS DISSOCIATED UNDER SECTION 29-3602, PARAGRAPH 7.

28 C. A PERSON THAT WRONGFULLY DISSOCIATES AS A MEMBER IS LIABLE TO
29 THE LIMITED LIABILITY COMPANY AND, SUBJECT TO SECTION 29-3806, SUBSECTION
30 D, TO THE OTHER MEMBERS FOR DAMAGES CAUSED BY THE DISSOCIATION. THE
31 LIABILITY IS IN ADDITION TO ANY DEBT, OBLIGATION OR OTHER LIABILITY OF THE
32 MEMBER TO THE COMPANY OR THE OTHER MEMBERS. THE COMPANY MAY OFFSET ITS
33 DAMAGES AGAINST ANY AMOUNT OTHERWISE DISTRIBUTABLE TO THE PERSON.

34 29-3602. Events causing dissociation

35 A PERSON IS DISSOCIATED AS A MEMBER IF AND WHEN:

36 1. THE LIMITED LIABILITY COMPANY KNOWS OR HAS NOTICE OF THE
37 PERSON'S EXPRESS WILL TO WITHDRAW AS A MEMBER, BUT IF THE PERSON HAS
38 SPECIFIED A WITHDRAWAL DATE LATER THAN THE DATE THE COMPANY KNEW OR HAD
39 NOTICE, THE PERSON IS DISSOCIATED AS A MEMBER ON THAT LATER DATE.

40 2. AN EVENT STATED IN THE OPERATING AGREEMENT AS CAUSING THE
41 PERSON'S DISSOCIATION OCCURS.

42 3. THE PERSON IS EXPELLED AS A MEMBER PURSUANT TO THE OPERATING
43 AGREEMENT.

44 4. THE PERSON IS EXPELLED AS A MEMBER BY THE AFFIRMATIVE VOTE OR
45 CONSENT OF ALL THE OTHER MEMBERS IF ANY OF THE FOLLOWING APPLIES:

1 (a) IT IS UNLAWFUL TO CARRY ON THE LIMITED LIABILITY COMPANY'S
2 ACTIVITIES AND AFFAIRS WITH THE PERSON AS A MEMBER.

3 (b) THERE HAS BEEN A TRANSFER OF ALL OF THE PERSON'S TRANSFERABLE
4 INTEREST IN THE COMPANY OTHER THAN EITHER:

5 (i) A TRANSFER FOR SECURITY PURPOSES.

6 (ii) A CHARGING ORDER IN EFFECT UNDER SECTION 29-3503.

7 (c) THE PERSON IS AN ENTITY AND BOTH OF THE FOLLOWING APPLY:

8 (i) THE COMPANY NOTIFIES THE PERSON THAT THE PERSON WILL BE
9 EXPELLED AS A MEMBER BECAUSE THE PERSON HAS FILED A STATEMENT OF
10 DISSOLUTION OR THE EQUIVALENT, THE PERSON HAS BEEN ADMINISTRATIVELY
11 DISSOLVED, THE PERSON'S CHARTER OR THE EQUIVALENT HAS BEEN REVOKED OR THE
12 PERSON'S RIGHT TO CONDUCT BUSINESS HAS BEEN SUSPENDED BY THE PERSON'S
13 JURISDICTION OF FORMATION.

14 (ii) NOT LATER THAN NINETY DAYS AFTER THE NOTIFICATION DESCRIBED IN
15 ITEM (i) OF THIS SUBDIVISION, THE STATEMENT OF DISSOLUTION OR THE
16 EQUIVALENT HAS NOT BEEN WITHDRAWN, RESCINDED OR REVOKED, THE PERSON HAS
17 NOT BEEN REINSTATED OR THE PERSON'S CHARTER OR THE EQUIVALENT OR RIGHT TO
18 CONDUCT BUSINESS HAS NOT BEEN REINSTATED.

19 (d) THE PERSON IS AN UNINCORPORATED ENTITY THAT HAS BEEN DISSOLVED
20 AND WHOSE ACTIVITIES AND AFFAIRS ARE BEING WOUND UP.

21 5. ON APPLICATION BY THE LIMITED LIABILITY COMPANY OR A MEMBER IN A
22 DIRECT ACTION UNDER SECTION 29-3801, THE PERSON IS EXPELLED AS A MEMBER BY
23 JUDICIAL ORDER BECAUSE THE PERSON DOES ANY OF THE FOLLOWING:

24 (a) HAS ENGAGED OR IS ENGAGING IN WRONGFUL CONDUCT THAT HAS
25 AFFECTED ADVERSELY AND MATERIALLY, OR WILL AFFECT ADVERSELY AND
26 MATERIALLY, THE COMPANY'S ACTIVITIES AND AFFAIRS.

27 (b) HAS COMMITTED WILFULLY OR PERSISTENTLY, OR IS COMMITTING
28 WILFULLY OR PERSISTENTLY, A MATERIAL BREACH OF THE OPERATING AGREEMENT OR
29 A DUTY OR OBLIGATION UNDER SECTION 29-3409 AS MODIFIED BY THE OPERATING
30 AGREEMENT.

31 (c) HAS ENGAGED OR IS ENGAGING IN CONDUCT RELATING TO THE COMPANY'S
32 ACTIVITIES AND AFFAIRS THAT MAKES IT NOT REASONABLY PRACTICABLE TO CARRY
33 ON THE ACTIVITIES AND AFFAIRS WITH THE PERSON AS A MEMBER.

34 6. IN THE CASE OF AN INDIVIDUAL, ANY OF THE FOLLOWING:

35 (a) THE INDIVIDUAL DIES.

36 (b) A GUARDIAN OR GENERAL CONSERVATOR FOR THE INDIVIDUAL IS
37 APPOINTED.

38 (c) A COURT ORDERS THAT THE INDIVIDUAL HAS OTHERWISE BECOME
39 INCAPABLE OF PERFORMING THE INDIVIDUAL'S DUTIES AS A MEMBER UNDER THIS
40 CHAPTER OR THE OPERATING AGREEMENT.

41 (d) A COURT OF COMPETENT JURISDICTION ENTERS AN ORDER OR JUDGMENT
42 ADJUDICATING THE INDIVIDUAL INCOMPETENT TO MANAGE THE INDIVIDUAL'S PERSON
43 OR ESTATE.

44 7. THE PERSON DOES ANY OF THE FOLLOWING:

45 (a) BECOMES A DEBTOR IN BANKRUPTCY.

1 (b) SIGNS AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS.
2 (c) SEEKS, CONSENTS TO OR ACQUIESCES IN THE APPOINTMENT OF A
3 TRUSTEE, RECEIVER OR LIQUIDATOR OF THE PERSON OR OF ALL OR SUBSTANTIALLY
4 ALL THE PERSON'S PROPERTY.
5 8. IN THE CASE OF A PERSON THAT IS A TESTAMENTARY OR INTER VIVOS
6 TRUST OR IS ACTING AS A MEMBER BY VIRTUE OF BEING A TRUSTEE OF SUCH A
7 TRUST, THE TRUST'S ENTIRE TRANSFERABLE INTEREST IN THE LIMITED LIABILITY
8 COMPANY IS DISTRIBUTED.
9 9. IN THE CASE OF A PERSON THAT IS AN ESTATE OR IS ACTING AS A
10 MEMBER BY VIRTUE OF BEING A PERSONAL REPRESENTATIVE OF AN ESTATE, THE
11 ESTATE'S ENTIRE TRANSFERABLE INTEREST IN THE LIMITED LIABILITY COMPANY IS
12 DISTRIBUTED.
13 10. IN THE CASE OF A PERSON THAT IS NOT AN INDIVIDUAL, THE
14 EXISTENCE OF THE PERSON TERMINATES.
15 11. THE LIMITED LIABILITY COMPANY PARTICIPATES IN A MERGER UNDER
16 ARTICLE 10 OF THIS CHAPTER AND EITHER OF THE FOLLOWING APPLIES:
17 (a) THE COMPANY IS NOT THE SURVIVING ENTITY.
18 (b) OTHERWISE AS A RESULT OF THE MERGER, THE PERSON CEASES TO BE A
19 MEMBER.
20 12. THE LIMITED LIABILITY COMPANY PARTICIPATES IN AN INTEREST
21 EXCHANGE UNDER ARTICLE 10 OF THIS CHAPTER AND, AS A RESULT OF THE INTEREST
22 EXCHANGE, THE PERSON CEASES TO BE A MEMBER.
23 13. THE LIMITED LIABILITY COMPANY PARTICIPATES IN A CONVERSION
24 UNDER ARTICLE 10 OF THIS CHAPTER.
25 14. THE LIMITED LIABILITY COMPANY PARTICIPATES IN A DOMESTICATION
26 UNDER ARTICLE 10 OF THIS CHAPTER AND, AS A RESULT OF THE DOMESTICATION,
27 THE PERSON CEASES TO BE A MEMBER.
28 15. THE LIMITED LIABILITY COMPANY PARTICIPATES IN A DIVISION UNDER
29 ARTICLE 10 OF THIS CHAPTER AND EITHER OF THE FOLLOWING APPLIES:
30 (a) THE COMPANY IS NOT THE SURVIVING ENTITY.
31 (b) OTHERWISE AS A RESULT OF THE DIVISION, THE PERSON CEASES TO BE
32 A MEMBER.
33 16. THE LIMITED LIABILITY COMPANY DISSOLVES AND COMPLETES WINDING
34 UP.
35 29-3603. Effect of dissociation
36 A. IF A PERSON IS DISSOCIATED AS A MEMBER, ALL OF THE FOLLOWING
37 APPLY:
38 1. THE PERSON'S RIGHT TO PARTICIPATE AS A MEMBER IN THE MANAGEMENT
39 AND CONDUCT OF THE LIMITED LIABILITY COMPANY'S ACTIVITIES AND AFFAIRS
40 TERMINATES.
41 2. THE PERSON'S DUTIES AND OBLIGATIONS UNDER SECTION 29-3409 AS A
42 MEMBER END WITH REGARD TO MATTERS ARISING AND EVENTS OCCURRING AFTER THE
43 PERSON'S DISSOCIATION.
44 3. SUBJECT TO SECTION 29-3504 AND ARTICLE 10 OF THIS CHAPTER, ANY
45 TRANSFERABLE INTEREST OWNED BY THE PERSON IN THE PERSON'S CAPACITY AS A

1 MEMBER IMMEDIATELY BEFORE DISSOCIATION IS OWNED BY THE PERSON SOLELY AS A
2 TRANSFEREE.

3 B. A PERSON'S DISSOCIATION AS A MEMBER DOES NOT OF ITSELF DISCHARGE
4 THE PERSON FROM ANY DEBT, OBLIGATION OR OTHER LIABILITY TO THE LIMITED
5 LIABILITY COMPANY OR THE OTHER MEMBERS THAT THE PERSON INCURRED WHILE A
6 MEMBER.

7 ARTICLE 7. DISSOLUTION AND WINDING UP

8 29-3701. Events causing dissolution

9 A. A LIMITED LIABILITY COMPANY IS DISSOLVED, AND ITS ACTIVITIES AND
10 AFFAIRS MUST BE WOUND UP, ON THE OCCURRENCE OF ANY OF THE FOLLOWING:

11 1. AN EVENT OR CIRCUMSTANCE THAT THE OPERATING AGREEMENT OR
12 ARTICLES OF ORGANIZATION STATE CAUSES DISSOLUTION.

13 2. THE CONSENT TO DISSOLUTION IS GIVEN IN A RECORD SIGNED BY THE
14 NUMBER OF MEMBERS SPECIFIED IN THE OPERATING AGREEMENT OR, IF NONE IS
15 SPECIFIED, BY A MAJORITY IN INTEREST OF THE MEMBERS AND BY ONE OR MORE
16 MEMBERS THAT ON DISSOLUTION OF THE COMPANY AND LIQUIDATION OF ITS ASSETS
17 WOULD BE ENTITLED TO RECEIVE MORE THAN ONE-HALF OF THE VALUE OF ALL ASSETS
18 TO BE DISTRIBUTED TO ALL MEMBERS ON LIQUIDATION.

19 3. THE PASSAGE OF ONE HUNDRED EIGHTY CONSECUTIVE DAYS DURING WHICH
20 THE COMPANY HAS NO MEMBERS UNLESS BEFORE THE END OF THE PERIOD BOTH OF THE
21 FOLLOWING OCCUR:

22 (a) CONSENT TO ADMIT AT LEAST ONE SPECIFIED PERSON AS A MEMBER IS
23 GIVEN IN A RECORD SIGNED BY ONE OR MORE TRANSFEREES THAT ON DISSOLUTION OF
24 THE COMPANY AND LIQUIDATION OF ITS ASSETS WOULD BE ENTITLED TO RECEIVE
25 MORE THAN ONE-HALF OF THE VALUE OF ALL ASSETS TO BE DISTRIBUTED TO ALL
26 TRANSFEREES AT THE TIME THE CONSENT IS TO BE EFFECTIVE.

27 (b) AT LEAST ONE PERSON BECOMES A MEMBER IN ACCORDANCE WITH THE
28 CONSENT.

29 4. ON APPLICATION BY A MEMBER, THE ENTRY BY A COURT OF COMPETENT
30 JURISDICTION OF AN ORDER DISSOLVING THE COMPANY ON THE GROUNDS THAT ANY OF
31 THE FOLLOWING APPLY:

32 (a) THE CONDUCT OF ALL OR SUBSTANTIALLY ALL OF THE COMPANY'S
33 ACTIVITIES AND AFFAIRS IS UNLAWFUL.

34 (b) IT IS NOT REASONABLY PRACTICABLE TO CARRY ON THE COMPANY'S
35 ACTIVITIES AND AFFAIRS IN CONFORMITY WITH THE ARTICLES OF ORGANIZATION AND
36 THE OPERATING AGREEMENT.

37 (c) THE MEMBERS OR MANAGERS ARE DEADLOCKED IN THE MANAGEMENT OF THE
38 COMPANY AND IRREPARABLE INJURY TO THE COMPANY IS THREATENED OR BEING
39 SUFFERED OR THE ACTIVITIES AND AFFAIRS OF THE COMPANY CANNOT BE CONDUCTED
40 TO THE ADVANTAGE OF THE MEMBERS BECAUSE OF THE DEADLOCK.

41 (d) THE MANAGERS OR THOSE MEMBERS IN CONTROL OF THE COMPANY DO ANY
42 OF THE FOLLOWING:

43 (i) HAVE ACTED OR ARE ACTING IN A MANNER THAT IS ILLEGAL OR
44 FRAUDULENT WITH RESPECT TO THE ACTIVITIES AND AFFAIRS OF THE COMPANY,

1 CAUSING OR THREATENING A MATERIAL AND ADVERSE EFFECT ON THE COMPANY OR THE
2 APPLICANT.

3 (ii) HAVE WILFULLY OR PERSISTENTLY BREACHED THE OPERATING AGREEMENT
4 OR THE DUTY OF LOYALTY UNDER SECTION 29-3409, AS MODIFIED BY THE OPERATING
5 AGREEMENT, CAUSING OR THREATENING A MATERIAL AND ADVERSE EFFECT ON THE
6 COMPANY OR THE APPLICANT.

7 (iii) HAVE WASTED, MISAPPLIED OR DIVERTED SUBSTANTIAL ASSETS OF THE
8 COMPANY FOR PURPOSES NOT RELATED TO THE ACTIVITIES AND AFFAIRS OF THE
9 COMPANY, CAUSING OR THREATENING A MATERIAL AND ADVERSE EFFECT ON THE
10 COMPANY.

11 5. THE SIGNING AND FILING OF A STATEMENT OF ADMINISTRATIVE
12 DISSOLUTION BY THE COMMISSION UNDER SECTION 29-3708.

13 B. IN A PROCEEDING BROUGHT UNDER SUBSECTION A, PARAGRAPH 4 OF THIS
14 SECTION, THE COURT MAY ORDER A REMEDY OTHER THAN DISSOLUTION.

15 29-3702. Winding up

16 A. A DISSOLVED LIMITED LIABILITY COMPANY SHALL WIND UP ITS
17 ACTIVITIES AND AFFAIRS AND, EXCEPT AS OTHERWISE PROVIDED IN SECTION
18 29-3703, THE COMPANY CONTINUES AFTER DISSOLUTION ONLY FOR THE PURPOSE OF
19 WINDING UP.

20 B. IN WINDING UP ITS ACTIVITIES AND AFFAIRS, A LIMITED LIABILITY
21 COMPANY:

22 1. SHALL DISCHARGE THE COMPANY'S DEBTS, OBLIGATIONS AND OTHER
23 LIABILITIES, SETTLE AND CLOSE THE COMPANY'S ACTIVITIES AND AFFAIRS AND
24 MARSHAL AND DISTRIBUTE THE ASSETS OF THE COMPANY.

25 2. MAY DO ALL OF THE FOLLOWING:

26 (a) DELIVER TO THE COMMISSION FOR FILING A NOTICE OF WINDING UP
27 STATING THE NAME OF THE COMPANY, THAT THE COMPANY HAS COMMENCED TO WIND UP
28 ITS ACTIVITIES AND AFFAIRS AND ANY OTHER STATEMENTS NOT PROHIBITED BY LAW.

29 (b) PRESERVE THE COMPANY ACTIVITIES, AFFAIRS AND PROPERTY AS A
30 GOING CONCERN FOR A REASONABLE TIME.

31 (c) PROSECUTE AND DEFEND ACTIONS AND PROCEEDINGS, WHETHER CIVIL,
32 CRIMINAL OR ADMINISTRATIVE.

33 (d) TRANSFER THE COMPANY'S PROPERTY.

34 (e) SETTLE DISPUTES BY MEDIATION OR ARBITRATION.

35 (f) PERFORM OTHER ACTS NECESSARY OR APPROPRIATE TO THE WINDING UP.

36 C. IF A DISSOLVED LIMITED LIABILITY COMPANY HAS NO MEMBERS, THE
37 LAST PERSON TO HAVE BEEN A MEMBER OR THE LEGAL REPRESENTATIVE OF THE LAST
38 PERSON TO HAVE BEEN A MEMBER MAY WIND UP THE ACTIVITIES AND AFFAIRS OF THE
39 COMPANY AS ITS LIQUIDATING AGENT. IF THE PERSON DOES SO, THE PERSON HAS
40 THE POWERS OF A SOLE MANAGER UNDER SECTION 29-3407, SUBSECTION C AND IS
41 DEEMED TO BE A MANAGER FOR THE PURPOSES OF SECTION 29-3304.

42 D. IF THE LAST PERSON TO HAVE BEEN A MEMBER OR LEGAL REPRESENTATIVE
43 UNDER SUBSECTION C OF THIS SECTION DOES NOT ELECT TO BECOME THE
44 LIQUIDATING AGENT WITHIN A REASONABLE TIME, ANOTHER PERSON MAY BE
45 APPOINTED AND REPLACED FROM TIME TO TIME AS THE LIQUIDATING AGENT IF THE

1 APPOINTMENT IS IN A RECORD SIGNED BY ONE OR MORE TRANSFEREES THAT ON
2 DISSOLUTION OF THE LIMITED LIABILITY COMPANY AND LIQUIDATION OF ITS ASSETS
3 WOULD BE ENTITLED TO RECEIVE MORE THAN ONE HALF OF THE VALUE OF ALL ASSETS
4 TO BE DISTRIBUTED TO ALL TRANSFEREES ON LIQUIDATION AT THE TIME OF THE
5 APPOINTMENT. A LIQUIDATING AGENT PURSUANT TO THIS SUBSECTION OR
6 SUBSECTION C OF THIS SECTION MAY BE REPLACED AT ANY TIME BY ANY OTHER
7 PERSON APPOINTED IN A RECORD SIGNED BY ONE OR MORE TRANSFEREES THAT ON
8 DISSOLUTION OF THE COMPANY AND LIQUIDATION OF ITS ASSETS WOULD BE ENTITLED
9 TO RECEIVE MORE THAN ONE HALF OF THE VALUE OF ALL ASSETS TO BE DISTRIBUTED
10 TO ALL TRANSFEREES ON LIQUIDATION. A PERSON APPOINTED AS THE LIQUIDATING
11 AGENT UNDER THIS SUBSECTION HAS THE POWERS OF A SOLE MANAGER UNDER SECTION
12 29-3407, SUBSECTION C AND IS DEEMED TO BE A MANAGER FOR THE PURPOSES OF
13 SECTION 29-3304.

14 E. A COURT OF COMPETENT JURISDICTION MAY ORDER JUDICIAL SUPERVISION
15 OF THE WINDING UP OF A DISSOLVED LIMITED LIABILITY COMPANY, INCLUDING THE
16 APPOINTMENT OR REPLACEMENT OF A PERSON AS THE LIQUIDATING AGENT TO WIND UP
17 THE COMPANY'S ACTIVITIES AND AFFAIRS:

18 1. ON THE APPLICATION OF A MEMBER, IF THE APPLICANT ESTABLISHES
19 GOOD CAUSE.

20 2. IF THE COMPANY DOES NOT HAVE ANY MEMBERS, ON THE APPLICATION OF
21 A TRANSFEREE IF ANY OF THE FOLLOWING APPLIES:

22 (a) THE APPLICANT ESTABLISHES GOOD CAUSE.

23 (b) THE LAST PERSON TO HAVE BEEN A MEMBER OR THE LEGAL
24 REPRESENTATIVE OF THE LAST PERSON TO HAVE BEEN A MEMBER DECLINES TO BECOME
25 THE LIQUIDATING AGENT OR, HAVING DONE SO, FAILS TO WIND UP THE COMPANY'S
26 ACTIVITIES WITHIN A REASONABLE TIME.

27 (c) WITHIN A REASONABLE TIME FOLLOWING THE DISSOLUTION, A PERSON
28 HAS NOT BEEN APPOINTED AS THE LIQUIDATING AGENT PURSUANT TO SUBSECTION D
29 OF THIS SECTION.

30 3. IN CONNECTION WITH A PROCEEDING UNDER SECTION 29-3701,
31 SUBSECTION A, PARAGRAPH 4.

32 F. EFFECTIVE ON A PERSON'S BECOMING A LIQUIDATING AGENT, EACH OTHER
33 PERSON THAT IS THEN A MANAGER OF THE LIMITED LIABILITY COMPANY SHALL CEASE
34 TO BE A MANAGER AND THE MEMBERS, IF ANY, SHALL CEASE TO HAVE MANAGEMENT
35 AUTHORITY EXCEPT AS SET FORTH IN AN ORDER OF JUDICIAL SUPERVISION.

36 G. PROMPTLY AFTER BECOMING A LIQUIDATING AGENT, THE LIQUIDATING
37 AGENT SHALL DELIVER TO THE COMMISSION FOR FILING AN AMENDMENT TO THE
38 COMPANY'S ARTICLES OF ORGANIZATION STATING ALL OF THE FOLLOWING:

39 1. THAT THE COMPANY HAS NO MANAGERS.

40 2. THE NAME AND THE MAILING ADDRESS OF EACH MEMBER OR, IF THE
41 COMPANY HAS NO MEMBERS, THAT THE COMPANY HAS NO MEMBERS.

42 3. THE NAME AND MAILING ADDRESS OF THE PERSON THAT HAS BEEN
43 APPOINTED AS THE LIQUIDATING AGENT.

44 4. IF APPLICABLE, THE CASE NUMBER AND THE NAME OF THE COURT THAT
45 ENTERED AN ORDER OF JUDICIAL SUPERVISION OF WINDING UP.

1 5. ANY OTHER STATEMENT NOT PROHIBITED BY LAW.

2 H. IF ALL OF THE KNOWN PROPERTY AND ASSETS OF THE LIMITED LIABILITY
3 COMPANY HAVE BEEN APPLIED AND DISTRIBUTED PURSUANT TO THIS CHAPTER, THE
4 ARTICLES OF TERMINATION SHALL BE FILED WITH THE COMMISSION STATING BOTH OF
5 THE FOLLOWING:

6 1. THE NAME OF THE COMPANY.

7 2. THAT ALL OF THE KNOWN PROPERTY AND ASSETS OF THE COMPANY HAVE
8 BEEN APPLIED AND DISTRIBUTED PURSUANT TO THIS CHAPTER.

9 I. AFTER THE AUTHORIZED FILING OF THE ARTICLES OF TERMINATION, THE
10 LIMITED LIABILITY COMPANY'S EXISTENCE CONTINUES BUT ONLY FOR THE PURPOSES
11 OF SUITS, OTHER PROCEEDINGS AND APPROPRIATE ACTIONS AS PROVIDED IN THIS
12 CHAPTER, DEALING WITH AND DISPOSING OF PROPERTY THAT WAS OVERLOOKED DURING
13 THE WINDING UP, DEFENDING AND PURSUING CLAIMS THAT WERE NOT PAID OR
14 OTHERWISE DISCHARGED BEFORE THE FILING AND ENGAGING IN ACTIVITIES THAT ARE
15 REASONABLY NECESSARY OR APPROPRIATE FOR SUCH PURPOSES. THESE ACTIONS
16 SHALL BE TAKEN WITHOUT AFFECTING THE LIABILITY OF MEMBERS AND MANAGERS AND
17 WITHOUT IMPOSING LIABILITY ON A LIQUIDATING AGENT. THE MANAGERS OR
18 LIQUIDATING AGENT IN OFFICE AT THE TIME OF TERMINATION OR, IF NONE, THE
19 MEMBERS, MAY CONVEY OR TRANSFER THE COMPANY'S REAL OR PERSONAL PROPERTY
20 DISCOVERED AFTER TERMINATION AND MAY TAKE OTHER ACTION AS NECESSARY ON
21 BEHALF OF AND IN THE NAME OF THE COMPANY TO COMPLETE THE WINDING UP OF ITS
22 ACTIVITIES AND AFFAIRS AND THE LIQUIDATION AND DISTRIBUTION OF ITS ASSETS.

23 29-3703. Rescinding dissolution

24 A. A LIMITED LIABILITY COMPANY MAY RESCIND ITS DISSOLUTION, UNLESS
25 THE ARTICLES OF TERMINATION APPLICABLE TO THE COMPANY HAVE BECOME
26 EFFECTIVE, A COURT OF COMPETENT JURISDICTION HAS ENTERED AN ORDER UNDER
27 SECTION 29-3701, SUBSECTION A, PARAGRAPH 4 DISSOLVING THE COMPANY OR THE
28 COMMISSION HAS DISSOLVED THE COMPANY UNDER SECTION 29-3708.

29 B. RESCINDING DISSOLUTION UNDER THIS SECTION REQUIRES ALL OF THE
30 FOLLOWING:

31 1. THE AFFIRMATIVE VOTE OR CONSENT OF EACH MEMBER OR, IF THE
32 COMPANY HAS NO MEMBERS, THE CONSENT OF ALL TRANSFEREES TO THE RESCISSION
33 AND TO THE ADMISSION OF ONE OR MORE MEMBERS.

34 2. IF THE LIMITED LIABILITY COMPANY HAS DELIVERED TO THE COMMISSION
35 FOR FILING A NOTICE OF WINDING UP AND THE NOTICE HAS NOT BECOME EFFECTIVE,
36 DELIVERY TO THE COMMISSION FOR FILING OF A STATEMENT OF WITHDRAWAL UNDER
37 SECTION 29-3208 THAT IS APPLICABLE TO THE NOTICE OF WINDING UP.

38 3. IF THE LIMITED LIABILITY COMPANY HAS DELIVERED TO THE COMMISSION
39 FOR FILING A NOTICE OF WINDING UP AND THE NOTICE HAS BECOME EFFECTIVE,
40 DELIVERY TO THE COMMISSION FOR FILING OF A STATEMENT OF CORRECTION UNDER
41 SECTION 29-3209 STATING THE NAME OF THE COMPANY AND THAT DISSOLUTION AND
42 WINDING UP HAVE BEEN RESCINDED UNDER THIS SECTION.

43 C. IF A LIMITED LIABILITY COMPANY RESCINDS ITS DISSOLUTION, ALL OF
44 THE FOLLOWING APPLY:

1 1. THE COMPANY RESUMES CARRYING ON ITS ACTIVITIES AND AFFAIRS AS IF
2 DISSOLUTION HAD NEVER OCCURRED.

3 2. SUBJECT TO PARAGRAPH 3 OF THIS SUBSECTION, ANY LIABILITY
4 INCURRED BY THE COMPANY AFTER THE DISSOLUTION AND BEFORE THE RESCISSION
5 BECOMES EFFECTIVE IS DETERMINED AS IF DISSOLUTION HAD NEVER OCCURRED.

6 3. THE RIGHTS OF A THIRD PARTY ARISING OUT OF CONDUCT IN RELIANCE
7 ON THE DISSOLUTION BEFORE THE THIRD PARTY KNEW OR HAD NOTICE OF THE
8 RESCISSION MAY NOT BE ADVERSELY AFFECTED.

9 29-3704. Known claims against dissolved limited liability
10 company

11 A. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION D OF THIS SECTION, A
12 DISSOLVED LIMITED LIABILITY COMPANY MAY GIVE NOTICE OF A KNOWN CLAIM UNDER
13 SUBSECTION B OF THIS SECTION AND THE NOTICE HAS THE EFFECT PROVIDED IN
14 SUBSECTION C OF THIS SECTION.

15 B. A DISSOLVED LIMITED LIABILITY COMPANY MAY IN A RECORD NOTIFY ITS
16 KNOWN CLAIMANTS OF THE DISSOLUTION. THE NOTICE MUST COMPLY WITH ALL OF
17 THE FOLLOWING:

18 1. SPECIFY THE INFORMATION REQUIRED TO BE INCLUDED IN A CLAIM.

19 2. STATE THAT A CLAIM MUST BE IN WRITING AND PROVIDE A MAILING
20 ADDRESS TO WHICH THE CLAIM IS TO BE SENT.

21 3. STATE THE DEADLINE FOR RECEIPT OF A CLAIM, WHICH MAY NOT BE LESS
22 THAN ONE HUNDRED TWENTY DAYS AFTER THE DATE THE NOTICE IS RECEIVED BY THE
23 CLAIMANT.

24 4. STATE THAT THE CLAIM WILL BE BARRED IF NOT RECEIVED BY THE
25 DEADLINE.

26 C. A CLAIM AGAINST A DISSOLVED LIMITED LIABILITY COMPANY IS BARRED
27 IF THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION ARE MET AND EITHER OF
28 THE FOLLOWING OCCURS:

29 1. THE CLAIM IS NOT RECEIVED BY THE SPECIFIED DEADLINE.

30 2. THE CLAIM IS TIMELY RECEIVED BUT REJECTED BY THE COMPANY AND
31 BOTH OF THE FOLLOWING OCCUR:

32 (a) THE COMPANY CAUSES THE CLAIMANT TO RECEIVE A NOTICE IN A RECORD
33 STATING THAT THE CLAIM IS REJECTED AND WILL BE BARRED UNLESS THE CLAIMANT
34 COMMENCES AN ACTION AGAINST THE COMPANY TO ENFORCE THE CLAIM NOT LATER
35 THAN NINETY DAYS AFTER THE CLAIMANT RECEIVES THE NOTICE.

36 (b) THE CLAIMANT DOES NOT COMMENCE THE REQUIRED ACTION WITHIN
37 NINETY DAYS AFTER THE CLAIMANT RECEIVES THE NOTICE.

38 D. THIS SECTION DOES NOT APPLY TO A CLAIM BASED ON AN EVENT
39 OCCURRING AFTER THE DATE OF DISSOLUTION OR A LIABILITY THAT IS CONTINGENT
40 ON THE DATE OF DISSOLUTION.

41 E. THIS SECTION DOES NOT AFFECT OR PREVENT THE ENFORCEMENT OF ANY
42 MORTGAGE, PLEDGE OR OTHER LIEN ON THE LIMITED LIABILITY COMPANY'S PROPERTY
43 OR, TO THE LIMITS OF THE INSURANCE PROTECTION ONLY, ANY PROCEEDING TO
44 ESTABLISH LIABILITY OF THE COMPANY FOR WHICH IT IS PROTECTED BY LIABILITY
45 INSURANCE.

1 29-3705. Other claims against dissolved limited liability
2 company

3 A. A DISSOLVED LIMITED LIABILITY COMPANY THAT HAS FILED A NOTICE OF
4 WINDING UP MAY REQUIRE PERSONS HAVING CLAIMS AGAINST THE COMPANY TO
5 PRESENT THEM IN ACCORDANCE WITH A NOTICE TO CLAIMANTS IN CONFORMITY WITH
6 THIS SECTION.

7 B. A NOTICE UNDER SUBSECTION A OF THIS SECTION MUST:

8 1. BE FILED WITH THE COMMISSION AND PUBLISHED AT LEAST ONCE IN A
9 NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN THIS STATE IN WHICH THE
10 DISSOLVED LIMITED LIABILITY COMPANY'S PRINCIPAL ADDRESS IS LOCATED OR, IF
11 THE PRINCIPAL ADDRESS IS NOT LOCATED IN THIS STATE, IN THE COUNTY IN WHICH
12 THE OFFICE OF THE COMPANY'S STATUTORY AGENT IS OR WAS LAST LOCATED.

13 2. DESCRIBE THE INFORMATION REQUIRED TO BE CONTAINED IN A CLAIM,
14 STATE THAT THE CLAIM MUST BE IN WRITING AND PROVIDE A MAILING ADDRESS TO
15 WHICH THE CLAIM IS TO BE SENT.

16 3. STATE THAT A CLAIM AGAINST THE COMPANY IS BARRED UNLESS AN
17 ACTION TO ENFORCE THE CLAIM IS COMMENCED NOT LATER THAN THREE YEARS AFTER
18 PUBLICATION OF THE NOTICE OR THE DATE OF FILING THE NOTICE WITH THE
19 COMMISSION, WHICHEVER IS LATER.

20 C. IF A DISSOLVED LIMITED LIABILITY COMPANY FILES AND PUBLISHES A
21 NOTICE IN ACCORDANCE WITH SUBSECTION B OF THIS SECTION, THE CLAIM OF EACH
22 OF THE FOLLOWING CLAIMANTS IS BARRED UNLESS THE CLAIMANT COMMENCES AN
23 ACTION TO ENFORCE THE CLAIM AGAINST THE COMPANY NOT LATER THAN THREE YEARS
24 AFTER THE PUBLICATION OF THE NOTICE OR THE DATE OF FILING THE NOTICE WITH
25 THE COMMISSION, WHICHEVER IS LATER:

26 1. A CLAIMANT THAT DID NOT RECEIVE NOTICE IN A RECORD UNDER SECTION
27 29-3704.

28 2. A CLAIMANT WHOSE CLAIM WAS TIMELY SENT TO THE COMPANY BUT NOT
29 ACTED ON.

30 3. A CLAIMANT WHOSE CLAIM IS CONTINGENT AT, OR BASED ON AN EVENT
31 OCCURRING AFTER, THE DATE OF DISSOLUTION.

32 D. A CLAIM NOT BARRED UNDER THIS SECTION OR SECTION 29-3704 MAY BE
33 ENFORCED:

34 1. AGAINST A DISSOLVED LIMITED LIABILITY COMPANY TO THE EXTENT OF
35 ITS UNDISTRIBUTED ASSETS.

36 2. EXCEPT AS OTHERWISE PROVIDED IN SECTION 29-3706, IF ASSETS OF
37 THE COMPANY HAVE BEEN DISTRIBUTED AFTER DISSOLUTION, AGAINST A MEMBER OR
38 TRANSFEREE TO THE EXTENT OF THAT PERSON'S PROPORTIONATE SHARE OF THE CLAIM
39 OR OF THE COMPANY'S ASSETS DISTRIBUTED TO THE MEMBER OR TRANSFEREE AFTER
40 DISSOLUTION, WHICHEVER IS LESS, BUT A PERSON'S TOTAL LIABILITY FOR ALL
41 CLAIMS UNDER THIS SUBSECTION MAY NOT EXCEED THE TOTAL AMOUNT OF ASSETS
42 DISTRIBUTED TO THE PERSON AFTER DISSOLUTION.

43 E. THIS SECTION DOES NOT AFFECT OR PREVENT THE ENFORCEMENT OF ANY
44 MORTGAGE, PLEDGE OR OTHER LIEN ON THE LIMITED LIABILITY COMPANY'S PROPERTY
45 OR, TO THE LIMITS OF THE INSURANCE PROTECTION ONLY, ANY PROCEEDING TO

1 ESTABLISH LIABILITY OF THE COMPANY FOR WHICH IT IS PROTECTED BY LIABILITY
2 INSURANCE.

3 29-3706. Court proceedings

4 A. A DISSOLVED LIMITED LIABILITY COMPANY THAT HAS FILED AND
5 PUBLISHED A NOTICE UNDER SECTION 29-3705 MAY FILE AN APPLICATION WITH THE
6 SUPERIOR COURT IN THE COUNTY WHERE THE COMPANY'S PRINCIPAL ADDRESS IS
7 LOCATED OR, IF THE PRINCIPAL ADDRESS IS NOT LOCATED IN THIS STATE, IN THE
8 COUNTY WHERE THE OFFICE OF ITS STATUTORY AGENT IS OR WAS LAST LOCATED FOR
9 A DETERMINATION OF THE AMOUNT AND FORM OF SECURITY TO BE PROVIDED FOR THE
10 PAYMENT OF CLAIMS THAT ARE REASONABLY EXPECTED TO ARISE AFTER THE DATE OF
11 DISSOLUTION BASED ON FACTS KNOWN TO THE COMPANY AND THAT EITHER:

12 1. AT THE TIME OF APPLICATION EITHER:

13 (a) ARE CONTINGENT.

14 (b) HAVE NOT BEEN MADE KNOWN TO THE COMPANY.

15 2. ARE BASED ON AN EVENT OCCURRING AFTER THE DATE OF DISSOLUTION.

16 B. SECURITY IS NOT REQUIRED FOR ANY CLAIM THAT IS OR IS REASONABLY
17 ANTICIPATED TO BE BARRED UNDER SECTION 29-3705.

18 C. NOT LATER THAN TEN DAYS AFTER THE FILING OF AN APPLICATION UNDER
19 SUBSECTION A OF THIS SECTION, THE DISSOLVED LIMITED LIABILITY COMPANY
20 SHALL GIVE NOTICE OF THE PROCEEDING TO EACH CLAIMANT HOLDING A CONTINGENT
21 CLAIM KNOWN TO THE COMPANY.

22 D. IN A PROCEEDING UNDER THIS SECTION, THE COURT MAY APPOINT A
23 PERSON TO REPRESENT ALL CLAIMANTS WHOSE IDENTITIES ARE UNKNOWN. THE
24 REASONABLE FEES AND EXPENSES OF THE PERSON, INCLUDING ALL REASONABLE
25 EXPERT WITNESS FEES, MUST BE PAID BY THE DISSOLVED LIMITED LIABILITY
26 COMPANY.

27 E. A DISSOLVED LIMITED LIABILITY COMPANY THAT PROVIDES SECURITY IN
28 THE AMOUNT AND FORM ORDERED BY THE COURT UNDER SUBSECTION A OF THIS
29 SECTION SATISFIES THE COMPANY'S OBLIGATIONS WITH RESPECT TO CLAIMS THAT
30 ARE CONTINGENT, HAVE NOT BEEN MADE KNOWN TO THE COMPANY OR ARE BASED ON AN
31 EVENT OCCURRING AFTER THE DATE OF DISSOLUTION AND SUCH CLAIMS MAY NOT BE
32 ENFORCED AGAINST A MEMBER OR TRANSFEREE ON ACCOUNT OF ASSETS RECEIVED IN
33 LIQUIDATION.

34 29-3707. Disposition of assets in winding up

35 A. IN WINDING UP ITS ACTIVITIES AND AFFAIRS, A LIMITED LIABILITY
36 COMPANY SHALL APPLY ITS ASSETS TO DISCHARGE THE COMPANY'S OBLIGATIONS TO
37 CREDITORS, INCLUDING MEMBERS THAT ARE CREDITORS.

38 B. AFTER A LIMITED LIABILITY COMPANY COMPLIES WITH SUBSECTION A OF
39 THIS SECTION, ANY SURPLUS ASSETS MUST BE DISTRIBUTED IN THE FOLLOWING
40 ORDER, SUBJECT TO ANY CHARGING ORDER IN EFFECT UNDER SECTION 29-3503:

41 1. TO EACH PERSON OWNING A TRANSFERABLE INTEREST THAT REFLECTS
42 CONTRIBUTIONS MADE AND NOT PREVIOUSLY RETURNED, AN AMOUNT EQUAL TO THE
43 VALUE OF THE UNRETURNED CONTRIBUTIONS.

1 2. AMONG PERSONS OWNING TRANSFERABLE INTERESTS IN PROPORTION TO
2 THEIR RESPECTIVE RIGHTS TO SHARE IN DISTRIBUTIONS IMMEDIATELY BEFORE THE
3 DISSOLUTION OF THE COMPANY.

4 C. IF A LIMITED LIABILITY COMPANY DOES NOT HAVE SUFFICIENT SURPLUS
5 ASSETS TO COMPLY WITH SUBSECTION B, PARAGRAPH 1 OF THIS SECTION, ANY
6 SURPLUS MUST BE DISTRIBUTED AMONG THE OWNERS OF TRANSFERABLE INTERESTS IN
7 PROPORTION TO THE VALUE OF THE RESPECTIVE UNRETURNED CONTRIBUTIONS.

8 D. ALL DISTRIBUTIONS MADE UNDER SUBSECTIONS B AND C OF THIS SECTION
9 MUST BE PAID IN MONEY.

10 29-3708. Administrative dissolution

11 A. THE COMMISSION MAY COMMENCE A PROCEEDING UNDER SUBSECTION B OF
12 THIS SECTION TO DISSOLVE A LIMITED LIABILITY COMPANY ADMINISTRATIVELY IF
13 THE COMPANY DOES NOT DO ANY OF THE FOLLOWING:

14 1. PAY ANY FEE OR PENALTY REQUIRED TO BE PAID TO THE COMMISSION NOT
15 LATER THAN SIXTY DAYS AFTER THE FEE OR PENALTY IS DUE.

16 2. HAVE A STATUTORY AGENT IN THIS STATE FOR AT LEAST SIXTY
17 CONSECUTIVE DAYS.

18 3. HAVE A PRINCIPAL ADDRESS IN THIS STATE FOR AT LEAST SIXTY
19 CONSECUTIVE DAYS.

20 4. NOTIFY THE COMMISSION WITHIN SIXTY DAYS AFTER ITS STATUTORY
21 AGENT OR PRINCIPAL ADDRESS HAS CHANGED OR ITS STATUTORY AGENT HAS
22 RESIGNED.

23 5. AMEND ITS ARTICLES OF ORGANIZATION OR FILE A STATEMENT OF CHANGE
24 OR A STATEMENT OF CORRECTION AS REQUIRED BY SECTION 29-3202.

25 6. RESPOND TO INTERROGATORIES AS PRESCRIBED IN SECTION 29-3212.

26 B. IF THE COMMISSION DETERMINES THAT ONE OR MORE GROUNDS EXIST FOR
27 ADMINISTRATIVELY DISSOLVING A LIMITED LIABILITY COMPANY, THE COMMISSION
28 SHALL DELIVER TO THE COMPANY A NOTICE IN A RECORD OF THE COMMISSION'S
29 DETERMINATION BY DELIVERING THE NOTICE TO THE ADDRESS OF THE COMPANY'S
30 STATUTORY AGENT OR, IF THE COMPANY DOES NOT HAVE A STATUTORY AGENT OR THE
31 STATUTORY AGENT'S ADDRESS IS INVALID, TO THE COMPANY'S PRINCIPAL ADDRESS.

32 C. IF A LIMITED LIABILITY COMPANY, NOT LATER THAN SIXTY DAYS AFTER
33 DELIVERY OF THE NOTICE UNDER SUBSECTION B OF THIS SECTION, DOES NOT CURE
34 OR DEMONSTRATE TO THE SATISFACTION OF THE COMMISSION THE NONEXISTENCE OF
35 EACH GROUND DETERMINED BY THE COMMISSION, THE COMMISSION SHALL
36 ADMINISTRATIVELY DISSOLVE THE COMPANY BY ISSUING A STATEMENT OF
37 ADMINISTRATIVE DISSOLUTION THAT RECITES THE GROUNDS FOR DISSOLUTION AND
38 THE EFFECTIVE DATE OF DISSOLUTION. THE COMMISSION SHALL FILE THE
39 STATEMENT AND DELIVER A COPY TO THE COMPANY BY DELIVERING THE STATEMENT TO
40 THE ADDRESS OF THE COMPANY'S STATUTORY AGENT OR, IF THE COMPANY DOES NOT
41 HAVE A STATUTORY AGENT OR THE STATUTORY AGENT'S ADDRESS IS INVALID, TO THE
42 COMPANY'S PRINCIPAL ADDRESS.

43 D. A LIMITED LIABILITY COMPANY THAT IS ADMINISTRATIVELY DISSOLVED
44 CONTINUES IN EXISTENCE AS AN ENTITY BUT MAY NOT CARRY ON ANY ACTIVITIES
45 EXCEPT AS NECESSARY TO WIND UP ITS ACTIVITIES AND AFFAIRS AND LIQUIDATE

1 ITS ASSETS UNDER SECTIONS 29-3702, 29-3704, 29-3705, 29-3706 AND 29-3707
2 OR TO APPLY FOR REINSTATEMENT UNDER SECTION 29-3709.

3 E. THE ADMINISTRATIVE DISSOLUTION OF A LIMITED LIABILITY COMPANY
4 DOES NOT TERMINATE THE AUTHORITY OF ITS STATUTORY AGENT.

5 29-3709. Reinstatement

6 A. A LIMITED LIABILITY COMPANY THAT IS ADMINISTRATIVELY DISSOLVED
7 UNDER SECTION 29-3708 MAY APPLY TO THE COMMISSION FOR REINSTATEMENT NOT
8 LATER THAN SIX YEARS AFTER THE EFFECTIVE DATE OF DISSOLUTION.

9 B. IF THE LIMITED LIABILITY COMPANY HAS NOT APPLIED FOR
10 REINSTATEMENT WITHIN SIX MONTHS AFTER THE EFFECTIVE DATE OF THE
11 ADMINISTRATIVE DISSOLUTION, THE COMMISSION SHALL RELEASE THE COMPANY'S
12 NAME FOR USE IN ACCORDANCE WITH THIS CHAPTER OR BY A PERSON INTENDING TO
13 REGISTER THE NAME AS A TRADEMARK PURSUANT TO SECTION 44-1460.

14 C. THE APPLICATION MUST STATE ALL OF THE FOLLOWING:

15 1. THE NAME OF THE COMPANY AT THE TIME OF ITS ADMINISTRATIVE
16 DISSOLUTION.

17 2. THE NAME AND ADDRESS OF THE COMPANY'S STATUTORY AGENT AND, IF
18 DIFFERENT, THE PRINCIPAL ADDRESS OF THE COMPANY.

19 3. THAT THE GROUNDS FOR DISSOLUTION DID NOT EXIST OR HAVE BEEN
20 CURED.

21 D. IF ANOTHER PERSON HAS ADOPTED THE NAME OF THE LIMITED LIABILITY
22 COMPANY AS AN ENTITY OR PARTNERSHIP NAME OR AS A TRADE NAME OR TRADEMARK,
23 THE COMPANY SHALL DELIVER FOR FILING, SIMULTANEOUSLY WITH DELIVERY OF THE
24 APPLICATION FOR REINSTATEMENT, ARTICLES OF AMENDMENT THAT ADOPT A NEW NAME
25 FOR THE COMPANY.

26 E. TO BE REINSTATED, A LIMITED LIABILITY COMPANY MUST PAY ALL FEES
27 AND PENALTIES THAT WERE DUE TO THE COMMISSION AT THE TIME OF THE COMPANY'S
28 ADMINISTRATIVE DISSOLUTION AND ALL FEES AND PENALTIES THAT WOULD HAVE BEEN
29 DUE TO THE COMMISSION WHILE THE COMPANY WAS ADMINISTRATIVELY DISSOLVED.

30 F. IF THE COMMISSION DETERMINES THAT AN APPLICATION UNDER
31 SUBSECTION A OF THIS SECTION CONTAINS THE REQUIRED INFORMATION, IS
32 SATISFIED THAT THE INFORMATION IS CORRECT, DETERMINES THAT SUBSECTION D OF
33 THIS SECTION HAS BEEN COMPLIED WITH, IF APPLICABLE, AND DETERMINES THAT
34 ALL PAYMENTS REQUIRED TO BE MADE TO THE COMMISSION UNDER SUBSECTION E OF
35 THIS SECTION HAVE BEEN MADE, THE COMMISSION SHALL DO ALL OF THE FOLLOWING:

36 1. CANCEL THE STATEMENT OF ADMINISTRATIVE DISSOLUTION AND ISSUE A
37 STATEMENT OF REINSTATEMENT THAT STATES THE COMMISSION'S DETERMINATION AND
38 THE EFFECTIVE DATE OF REINSTATEMENT.

39 2. FILE THE STATEMENT OF REINSTATEMENT.

40 3. DELIVER A COPY OF THE STATEMENT OF REINSTATEMENT TO THE LIMITED
41 LIABILITY COMPANY.

42 G. WHEN REINSTATEMENT UNDER THIS SECTION HAS BECOME EFFECTIVE, THE
43 FOLLOWING RULES APPLY:

44 1. THE REINSTATEMENT RELATES BACK TO AND TAKES EFFECT AS OF THE
45 EFFECTIVE DATE OF THE ADMINISTRATIVE DISSOLUTION.

1 2. THE LIMITED LIABILITY COMPANY RESUMES CARRYING ON ITS ACTIVITIES
2 AND AFFAIRS AS IF THE ADMINISTRATIVE DISSOLUTION HAD NOT OCCURRED.

3 3. THE RIGHTS OF A PERSON ARISING OUT OF AN ACT OR OMISSION IN
4 RELIANCE ON THE DISSOLUTION BEFORE THE PERSON KNEW OR HAD NOTICE OF THE
5 REINSTATEMENT ARE NOT AFFECTED.

6 29-3710. Judicial review of denial of reinstatement

7 A. IF THE COMMISSION DENIES A LIMITED LIABILITY COMPANY'S
8 APPLICATION FOR REINSTATEMENT FOLLOWING ADMINISTRATIVE DISSOLUTION, THE
9 COMMISSION SHALL DELIVER TO THE COMPANY A NOTICE IN A RECORD THAT EXPLAINS
10 THE REASONS FOR THE DENIAL TO THE ADDRESS OF THE COMPANY'S STATUTORY AGENT
11 OR, IF THE COMPANY DOES NOT HAVE A STATUTORY AGENT OR THE STATUTORY
12 AGENT'S ADDRESS IS INVALID, TO THE COMPANY'S PRINCIPAL ADDRESS.

13 B. A LIMITED LIABILITY COMPANY THAT HAS BEEN ADMINISTRATIVELY
14 DISSOLVED AND THAT IS DENIED REINSTATEMENT BY THE COMMISSION PURSUANT TO
15 THIS SECTION MAY BRING AN ACTION AGAINST THE COMMISSION IN SUPERIOR COURT
16 TO REVIEW THE COMMISSION'S REFUSAL TO REINSTATE THE COMPANY. THE ACTION
17 BY THE COMPANY SHALL BE BROUGHT WITHIN SIX MONTHS AFTER THE COMMISSION'S
18 REFUSAL BECOMES FINAL. THE SUPERIOR COURT SHALL HEAR AND DETERMINE THE
19 ACTION AS A TRIAL DE NOVO. IN ANY SUCH ACTION, THE BURDEN OF PROOF SHALL
20 BE ON THE COMPANY.

21 ARTICLE 8. ACTIONS BY MEMBERS

22 29-3801. Direct action by member

23 A MEMBER MAY MAINTAIN A DIRECT ACTION AGAINST ANOTHER MEMBER, A
24 MANAGER OR THE LIMITED LIABILITY COMPANY TO ENFORCE THE MEMBER'S RIGHTS
25 AND PROTECT THE MEMBER'S INTERESTS, INCLUDING RIGHTS AND INTERESTS UNDER
26 THE OPERATING AGREEMENT OR THIS CHAPTER OR ARISING INDEPENDENTLY OF THE
27 MEMBERSHIP RELATIONSHIP.

28 29-3802. Derivative action

29 A MEMBER MAY MAINTAIN A DERIVATIVE ACTION TO ENFORCE A RIGHT OF A
30 LIMITED LIABILITY COMPANY IF EITHER OF THE FOLLOWING APPLIES:

31 1. THE MEMBER FIRST MAKES A DEMAND ON THE OTHER MEMBERS IN A
32 MEMBER-MANAGED LIMITED LIABILITY COMPANY OR THE MANAGERS OF A
33 MANAGER-MANAGED LIMITED LIABILITY COMPANY THAT REQUESTS THAT THE MEMBERS
34 OR MANAGERS CAUSE THE COMPANY TO BRING AN ACTION TO ENFORCE THE RIGHT AND
35 NINETY DAYS HAVE EXPIRED FROM THE DATE THE DEMAND WAS MADE, EXCEPT THAT
36 THE EXPIRATION OF NINETY DAYS IS NOT NECESSARY IF ANY OF THE FOLLOWING
37 APPLY:

38 (a) THE MEMBER HAS EARLIER BEEN NOTIFIED THAT THE DEMAND HAS BEEN
39 REJECTED BY THE COMPANY.

40 (b) THE STATUTE OF LIMITATIONS WILL EXPIRE WITHIN THE NINETY DAYS.

41 (c) IRREPARABLE INJURY TO THE COMPANY WOULD RESULT BY WAITING FOR
42 THE EXPIRATION OF THE NINETY-DAY PERIOD.

43 2. A DEMAND UNDER PARAGRAPH 1 OF THIS SECTION WOULD BE FUTILE.

1 29-3803. Proper plaintiff

2 A PERSON MAY MAINTAIN A DERIVATIVE ACTION TO ENFORCE A RIGHT OF A
3 LIMITED LIABILITY COMPANY ONLY IF THE PERSON IS A MEMBER AT THE TIME THE
4 ACTION IS COMMENCED AND EITHER:

5 1. THE PERSON WAS A MEMBER WHEN THE CONDUCT GIVING RISE TO THE
6 ACTION OCCURRED.

7 2. THE PERSON'S STATUS AS A MEMBER DEVOLVED ON THE PERSON BY
8 OPERATION OF LAW OR PURSUANT TO THE TERMS OF THE OPERATING AGREEMENT FROM
9 ANOTHER PERSON THAT WAS A MEMBER AT THE TIME OF THE CONDUCT.

10 29-3804. Pleading

11 IN A DERIVATIVE ACTION, THE COMPLAINT MUST STATE WITH PARTICULARITY
12 EITHER OF THE FOLLOWING:

13 1. THE DATE AND CONTENT OF THE PLAINTIFF'S DEMAND AND THE RESPONSE
14 TO THE DEMAND BY THE MANAGERS OR OTHER MEMBERS.

15 2. WHY THE DEMAND SHOULD BE EXCUSED AS FUTILE.

16 29-3805. Special litigation committee

17 A. IF A LIMITED LIABILITY COMPANY IS NAMED AS OR MADE A PARTY IN A
18 DERIVATIVE PROCEEDING, THE COMPANY MAY APPOINT A SPECIAL LITIGATION
19 COMMITTEE TO INVESTIGATE THE CLAIMS ASSERTED IN THE PROCEEDING AND
20 DETERMINE WHETHER PURSUING THE ACTION IS IN THE BEST INTERESTS OF THE
21 COMPANY. IF THE COMPANY APPOINTS A SPECIAL LITIGATION COMMITTEE, ON
22 MOTION BY THE COMMITTEE MADE IN THE NAME OF THE COMPANY, EXCEPT FOR GOOD
23 CAUSE SHOWN, THE COURT SHALL STAY THE DERIVATIVE PROCEEDING FOR THE TIME
24 REASONABLY NECESSARY TO PERMIT THE COMMITTEE TO MAKE ITS INVESTIGATION,
25 MAKE A DETERMINATION UNDER SUBSECTION D OF THIS SECTION AND FILE WITH THE
26 COURT A STATEMENT OF ITS DETERMINATION AND SUPPORTING REPORT UNDER
27 SUBSECTION E OF THIS SECTION. THIS SUBSECTION DOES NOT PREVENT THE COURT
28 FROM EITHER OF THE FOLLOWING:

29 1. ENFORCING A PERSON'S RIGHT TO INFORMATION UNDER SECTION 29-3410.

30 2. GRANTING EXTRAORDINARY RELIEF IN THE FORM OF A TEMPORARY
31 RESTRAINING ORDER OR PRELIMINARY INJUNCTION.

32 B. A SPECIAL LITIGATION COMMITTEE MUST BE COMPOSED OF ONE OR MORE
33 DISINTERESTED AND INDEPENDENT INDIVIDUALS WHO MAY BE MEMBERS.

34 C. A SPECIAL LITIGATION COMMITTEE MAY BE APPOINTED:

35 1. IN A MEMBER-MANAGED LIMITED LIABILITY COMPANY, BY EITHER OF THE
36 FOLLOWING:

37 (a) THE AFFIRMATIVE VOTE OR CONSENT OF A MAJORITY IN INTEREST OF
38 THE MEMBERS THAT ARE NOT NAMED AS PARTIES IN THE PROCEEDING.

39 (b) IF ALL MEMBERS ARE NAMED AS PARTIES IN THE PROCEEDING, A
40 MAJORITY IN INTEREST OF THE MEMBERS THAT ARE NAMED AS DEFENDANTS.

41 2. IN A MANAGER-MANAGED LIMITED LIABILITY COMPANY, BY EITHER OF THE
42 FOLLOWING:

43 (a) A MAJORITY OF THE MANAGERS THAT ARE NOT NAMED AS PARTIES IN THE
44 PROCEEDING.

1 (b) IF ALL MANAGERS ARE NAMED AS PARTIES IN THE PROCEEDING, A
2 MAJORITY OF THE MANAGERS THAT ARE NAMED AS DEFENDANTS.

3 D. AFTER APPROPRIATE INVESTIGATION, A SPECIAL LITIGATION COMMITTEE
4 MAY DETERMINE THAT IT IS IN THE BEST INTERESTS OF THE LIMITED LIABILITY
5 COMPANY THAT THE PROCEEDING:

- 6 1. CONTINUE UNDER THE CONTROL OF THE PLAINTIFF.
- 7 2. CONTINUE UNDER THE CONTROL OF THE COMMITTEE.
- 8 3. BE SETTLED ON TERMS APPROVED BY THE COMMITTEE.
- 9 4. BE DISMISSED.

10 E. AFTER MAKING A DETERMINATION UNDER SUBSECTION D OF THIS SECTION,
11 A SPECIAL LITIGATION COMMITTEE SHALL FILE WITH THE COURT A STATEMENT OF
12 ITS DETERMINATION AND ITS REPORT SUPPORTING ITS DETERMINATION AND SHALL
13 SERVE EACH PARTY WITH A COPY OF THE DETERMINATION AND REPORT. THE COURT
14 SHALL DETERMINE WHETHER THE MEMBERS OF THE COMMITTEE WERE DISINTERESTED
15 AND INDEPENDENT AND WHETHER THE COMMITTEE CONDUCTED ITS INVESTIGATION AND
16 MADE ITS RECOMMENDATION IN GOOD FAITH, INDEPENDENTLY AND WITH REASONABLE
17 CARE, WITH THE COMMITTEE HAVING THE BURDEN OF PROOF. IF THE COURT FINDS
18 THAT THE MEMBERS OF THE COMMITTEE WERE DISINTERESTED AND INDEPENDENT AND
19 THAT THE COMMITTEE ACTED IN GOOD FAITH, INDEPENDENTLY AND WITH REASONABLE
20 CARE, THE COURT SHALL ENFORCE THE DETERMINATION OF THE COMMITTEE.
21 OTHERWISE, THE COURT SHALL DISSOLVE THE STAY OF THE DERIVATIVE PROCEEDING
22 ENTERED UNDER SUBSECTION A OF THIS SECTION AND ALLOW THE ACTION TO
23 CONTINUE UNDER THE CONTROL OF THE PLAINTIFF.

24 29-3806. Proceeds and expenses: voluntary dismissal or
25 settlement

26 A. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION B OR C OF THIS
27 SECTION OR SECTION 29-3807, BOTH OF THE FOLLOWING APPLY:

- 28 1. ANY PROCEEDS OR OTHER BENEFITS OF A DERIVATIVE ACTION, WHETHER
29 BY JUDGMENT, COMPROMISE OR SETTLEMENT, BELONG TO THE LIMITED LIABILITY
30 COMPANY AND NOT TO THE PLAINTIFF.
- 31 2. IF THE PLAINTIFF RECEIVES ANY PROCEEDS, THE PLAINTIFF SHALL
32 REMIT THEM IMMEDIATELY TO THE COMPANY.

33 B. IF A DERIVATIVE ACTION IS SUCCESSFUL, IN WHOLE OR IN PART, THE
34 COURT MAY AWARD THE PLAINTIFF REASONABLE EXPENSES, INCLUDING REASONABLE
35 ATTORNEY FEES AND COSTS, FROM THE RECOVERY OF THE LIMITED LIABILITY
36 COMPANY.

37 C. IF THE COURT FINDS THAT THE DERIVATIVE ACTION WAS BROUGHT
38 WITHOUT REASONABLE CAUSE, THE COURT MAY REQUIRE THE PLAINTIFF TO PAY TO
39 THE DEFENDANTS THE DEFENDANTS' REASONABLE EXPENSES, INCLUDING REASONABLE
40 ATTORNEY FEES AND COSTS, INCURRED IN THE DEFENSE OF THE ACTION.

41 D. A DERIVATIVE ACTION ON BEHALF OF A LIMITED LIABILITY COMPANY MAY
42 NOT BE VOLUNTARILY DISMISSED OR SETTLED WITHOUT THE COURT'S APPROVAL.

43 29-3807. Other remedies in direct and derivative actions

44 THE COURT, IN ITS DISCRETION, AT ANY STAGE IN A DIRECT OR DERIVATIVE
45 PROCEEDING, MAY:

1 1. TREAT A DIRECT ACTION AS A DERIVATIVE ACTION SUBJECT TO, OR
2 EXEMPT FROM, ANY PROVISIONS OF THIS ARTICLE THE COURT CHOOSES AND ORDER
3 RECOVERY TO BE PAID TO THE LIMITED LIABILITY COMPANY IF THE COURT FINDS
4 THAT DOING SO IS REASONABLY NECESSARY TO AVOID ANY OF THE FOLLOWING:

5 (a) UNFAIRLY EXPOSING THE COMPANY OR THE DEFENDANTS TO A
6 MULTIPLICITY OF ACTIONS.

7 (b) MATERIALLY ADVERSELY AFFECTING THE INTERESTS OF THE COMPANY'S
8 CREDITORS.

9 (c) INTERFERING WITH A FAIR DISTRIBUTION OF ANY RECOVERY AMONG
10 INTERESTED PERSONS.

11 2. TREAT A DERIVATIVE ACTION AS A DIRECT ACTION SUBJECT TO, OR
12 EXEMPT FROM, ANY PROVISIONS OF THIS ARTICLE THE COURT CHOOSES AND ORDER
13 RECOVERY TO BE PAID TO THE PLAINTIFF IF THE COURT FINDS THAT JUSTICE SO
14 REQUIRES.

15 ARTICLE 9. FOREIGN LIMITED LIABILITY COMPANIES

16 29-3901. Governing law

17 A. SUBJECT TO SUBSECTION D OF THIS SECTION, THE LAW OF THE
18 JURISDICTION OF FORMATION OF A FOREIGN LIMITED LIABILITY COMPANY GOVERNS
19 BOTH OF THE FOLLOWING:

20 1. THE INTERNAL AFFAIRS OF THE COMPANY.

21 2. THE LIABILITY OF A MEMBER AS A MEMBER AND A MANAGER AS A MANAGER
22 FOR A DEBT, OBLIGATION OR OTHER LIABILITY OF THE COMPANY.

23 B. A FOREIGN LIMITED LIABILITY COMPANY IS NOT PRECLUDED FROM
24 REGISTERING TO DO BUSINESS IN THIS STATE BECAUSE OF ANY DIFFERENCE BETWEEN
25 THE LAW OF ITS JURISDICTION OF FORMATION AND THE LAW OF THIS STATE.

26 C. REGISTRATION OF A FOREIGN LIMITED LIABILITY COMPANY TO DO
27 BUSINESS IN THIS STATE DOES NOT AUTHORIZE THE FOREIGN COMPANY TO ENGAGE IN
28 ANY ACTIVITIES AND AFFAIRS OR EXERCISE ANY POWER THAT A LIMITED LIABILITY
29 COMPANY MAY NOT ENGAGE IN OR EXERCISE IN THIS STATE.

30 D. A FOREIGN LIMITED LIABILITY COMPANY, ITS MEMBERS AND MANAGERS
31 AND ITS FOREIGN SERIES, IF ANY, HAVE NO GREATER RIGHTS AND PRIVILEGES THAN
32 A DOMESTIC LIMITED LIABILITY COMPANY AND ITS MEMBERS AND MANAGERS WITH
33 RESPECT TO TRANSACTIONS IN THIS STATE AND RELATIONSHIPS WITH PERSONS IN
34 THIS STATE THAT ARE NOT MANAGERS OR MEMBERS. A FOREIGN SERIES IS LIABLE
35 FOR THE DEBTS, OBLIGATIONS OR OTHER LIABILITIES OF THE DESIGNATING FOREIGN
36 COMPANY AND OF ANY OTHER FOREIGN SERIES OF THAT DESIGNATING FOREIGN
37 COMPANY, ARISING OUT OF TRANSACTIONS IN THIS STATE OR RELATIONSHIPS WITH
38 PERSONS IN THIS STATE AND A DESIGNATING FOREIGN COMPANY IS LIABLE FOR SUCH
39 DEBTS, OBLIGATIONS OR OTHER LIABILITIES OF EACH FOREIGN SERIES OF THAT
40 DESIGNATING FOREIGN COMPANY.

41 29-3902. Registration to do business in this state

42 A. A FOREIGN LIMITED LIABILITY COMPANY OR A FOREIGN SERIES MAY NOT
43 DO BUSINESS IN THIS STATE UNTIL THE FOREIGN LIMITED LIABILITY COMPANY OR
44 FOREIGN SERIES REGISTERS WITH THE COMMISSION UNDER THIS ARTICLE.

1 B. A FOREIGN LIMITED LIABILITY COMPANY OR A FOREIGN SERIES DOING
2 BUSINESS IN THIS STATE MAY NOT MAINTAIN AN ACTION OR PROCEEDING IN THIS
3 STATE UNLESS THE FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN SERIES IS
4 REGISTERED TO DO BUSINESS IN THIS STATE.

5 C. THE FAILURE OF A FOREIGN LIMITED LIABILITY COMPANY OR A FOREIGN
6 SERIES TO REGISTER TO DO BUSINESS IN THIS STATE DOES NOT IMPAIR THE
7 VALIDITY OF A CONTRACT OR ACT OF THE FOREIGN COMPANY OR FOREIGN SERIES OR
8 PRECLUDE IT FROM DEFENDING AN ACTION OR PROCEEDING IN THIS STATE.

9 D. A LIMITATION ON THE LIABILITY OF A MEMBER OR MANAGER OF A
10 FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN SERIES IS NOT WAIVED SOLELY
11 BECAUSE THE FOREIGN COMPANY OR FOREIGN SERIES DOES BUSINESS IN THIS STATE
12 WITHOUT REGISTERING TO DO BUSINESS IN THIS STATE.

13 E. SECTION 29-3901 APPLIES EVEN IF A FOREIGN LIMITED LIABILITY
14 COMPANY OR FOREIGN SERIES FAILS TO REGISTER UNDER THIS ARTICLE.

15 29-3903. Foreign registration statement

16 A. TO REGISTER TO DO BUSINESS IN THIS STATE, A FOREIGN LIMITED
17 LIABILITY COMPANY MUST DELIVER A FOREIGN REGISTRATION STATEMENT TO THE
18 COMMISSION FOR FILING. THE STATEMENT MUST STATE ALL OF THE FOLLOWING:

19 1. THE NAME OF THE FOREIGN COMPANY AND, IF THE NAME DOES NOT COMPLY
20 WITH SECTION 29-3112, AN ALTERNATE NAME ADOPTED PURSUANT TO SECTION
21 29-3906, SUBSECTION A.

22 2. THAT THE FOREIGN COMPANY IS A FOREIGN LIMITED LIABILITY COMPANY.

23 3. THE JURISDICTION OF FORMATION OF THE FOREIGN COMPANY.

24 4. THE PRINCIPAL ADDRESS OF THE FOREIGN COMPANY AND, IF THE LAW OF
25 THE JURISDICTION OF FORMATION REQUIRES THE FOREIGN COMPANY TO MAINTAIN AN
26 OFFICE IN THAT JURISDICTION, THE ADDRESS OF THE OFFICE OR, IF NO OFFICE IS
27 REQUIRED TO BE MAINTAINED, THE NAME AND THE STREET ADDRESS OF THE
28 STATUTORY AGENT IN THE JURISDICTION OF FORMATION.

29 5. THE NAME AND STREET ADDRESS OF THE STATUTORY AGENT IN THIS
30 STATE.

31 6. EITHER OF THE FOLLOWING:

32 (a) THAT MANAGEMENT OF THE FOREIGN COMPANY IS VESTED IN A MANAGER
33 OR MANAGERS.

34 (b) THAT MANAGEMENT OF THE FOREIGN COMPANY IS RESERVED TO THE
35 MEMBERS.

36 7. THE NAME AND ADDRESS OF EITHER OF THE FOLLOWING:

37 (a) IF MANAGEMENT OF THE FOREIGN COMPANY IS VESTED IN A MANAGER OR
38 MANAGERS, EACH PERSON THAT IS A MANAGER AND EACH MEMBER THAT OWNS A TWENTY
39 PERCENT OR GREATER INTEREST IN THE CAPITAL OR PROFITS OF THE FOREIGN
40 COMPANY.

41 (b) IF MANAGEMENT OF THE FOREIGN COMPANY IS RESERVED TO THE
42 MEMBERS, EACH PERSON THAT IS A MEMBER OF THE FOREIGN COMPANY.

43 B. TO REGISTER TO DO BUSINESS IN THIS STATE, A FOREIGN SERIES MUST
44 DELIVER A FOREIGN REGISTRATION STATEMENT TO THE COMMISSION FOR FILING.
45 THE STATEMENT MUST STATE ALL OF THE FOLLOWING:

1 1. THAT THE REGISTRANT IS A FOREIGN SERIES.

2 2. ALL OF THE INFORMATION REQUIRED IN SUBSECTION A OF THIS SECTION
3 IN CONNECTION WITH THE FOREIGN SERIES.

4 3. ALL OF THE INFORMATION REQUIRED IN SUBSECTION A, PARAGRAPHS 1,
5 2, 3, 6 AND 7 OF THIS SECTION IN CONNECTION WITH THE DESIGNATING FOREIGN
6 COMPANY OF THE FOREIGN SERIES.

7 C. AN APPLICATION FOR A FOREIGN REGISTRATION STATEMENT THAT A
8 FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN SERIES SUBMITS TO THE
9 COMMISSION UNDER THIS SECTION SHALL INCLUDE A CERTIFIED COPY OF ITS
10 ORGANIZATIONAL DOCUMENTS ON FILE IN ITS JURISDICTION OF FORMATION AND
11 PROOF THAT THE FOREIGN COMPANY OR FOREIGN SERIES EXISTED IN THE STATE OR
12 COUNTRY IN WHICH IT ORGANIZED WITHIN SIXTY DAYS BEFORE DELIVERING THE
13 APPLICATION FOR FILING WITH THE COMMISSION.

14 29-3904. Amendment of foreign registration statement

15 A REGISTERED FOREIGN LIMITED LIABILITY COMPANY OR REGISTERED FOREIGN
16 SERIES SHALL DELIVER TO THE COMMISSION FOR FILING AN AMENDMENT TO ITS
17 FOREIGN REGISTRATION STATEMENT IF THERE IS A CHANGE IN ANY OF THE
18 INFORMATION REQUIRED UNDER SECTION 29-3903, EXCEPT THAT THE FILING OF AN
19 AMENDMENT UNDER THIS SECTION IS NOT REQUIRED FOR A CHANGE IN THE
20 REGISTERED FOREIGN LIMITED LIABILITY COMPANY'S OR REGISTERED FOREIGN
21 SERIES' STATUTORY AGENT, ITS PRINCIPAL ADDRESS, THE ADDRESS OF ONE OR MORE
22 OF ITS MANAGERS OR MEMBERS OR THE ADDRESS OF ITS STATUTORY AGENT IF THE
23 COMPANY OR SERIES HAS FILED A STATEMENT OF CHANGE UNDER SECTION 29-3116
24 SHOWING THE CHANGE.

25 29-3905. Activities not constituting doing business

26 A. ACTIVITIES OF A FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN
27 SERIES THAT DO NOT CONSTITUTE DOING BUSINESS IN THIS STATE UNDER THIS
28 ARTICLE INCLUDE ANY OF THE FOLLOWING:

29 1. MAINTAINING, DEFENDING, MEDIATING, ARBITRATING OR SETTLING AN
30 ACTION OR PROCEEDING.

31 2. CARRYING ON ANY ACTIVITY CONCERNING ITS INTERNAL AFFAIRS,
32 INCLUDING HOLDING MEETINGS OF ITS MEMBERS OR MANAGERS.

33 3. MAINTAINING ACCOUNTS IN FINANCIAL INSTITUTIONS.

34 4. MAINTAINING OFFICES OR AGENCIES FOR THE TRANSFER, EXCHANGE AND
35 REGISTRATION OF SECURITIES OF THE FOREIGN COMPANY OR FOREIGN SERIES OR
36 MAINTAINING TRUSTEES OR DEPOSITORIES WITH RESPECT TO THOSE SECURITIES.

37 5. SELLING THROUGH INDEPENDENT CONTRACTORS.

38 6. SOLICITING OR OBTAINING ORDERS BY ANY MEANS IF THE ORDERS
39 REQUIRE ACCEPTANCE OUTSIDE THIS STATE BEFORE THEY BECOME CONTRACTS.

40 7. CREATING OR ACQUIRING INDEBTEDNESS, MORTGAGES OR SECURITY
41 INTERESTS IN PROPERTY.

42 8. SECURING OR COLLECTING DEBTS OR ENFORCING MORTGAGES OR SECURITY
43 INTERESTS IN PROPERTY SECURING THE DEBTS AND HOLDING, PROTECTING OR
44 MAINTAINING PROPERTY.

1 9. CONDUCTING AN ISOLATED TRANSACTION THAT IS NOT IN THE COURSE OF
2 SIMILAR TRANSACTIONS.

3 10. OWNING, WITHOUT MORE, PROPERTY.

4 11. DOING BUSINESS IN INTERSTATE COMMERCE.

5 B. A PERSON DOES NOT DO BUSINESS IN THIS STATE SOLELY BY BEING A
6 MEMBER OR MANAGER OF A FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN SERIES
7 OR BY BEING A DESIGNATING FOREIGN COMPANY OF A FOREIGN SERIES THAT DOES
8 BUSINESS IN THIS STATE.

9 C. THIS SECTION DOES NOT APPLY IN DETERMINING THE CONTACTS OR
10 ACTIVITIES THAT MAY SUBJECT A FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN
11 SERIES TO SERVICE OF PROCESS, TAXATION OR REGULATION UNDER THE LAWS OF
12 THIS STATE OTHER THAN THIS CHAPTER.

13 29-3906. Noncomplying name of foreign limited liability
14 company

15 A. A FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN SERIES WHOSE NAME
16 DOES NOT COMPLY WITH SECTION 29-3112 MAY NOT REGISTER TO DO BUSINESS IN
17 THIS STATE UNTIL IT ADOPTS, FOR THE PURPOSE OF DOING BUSINESS IN THIS
18 STATE, AN ALTERNATE NAME THAT COMPLIES WITH SECTION 29-3112. AFTER
19 REGISTERING TO DO BUSINESS IN THIS STATE WITH AN ALTERNATE NAME, A FOREIGN
20 COMPANY OR FOREIGN SERIES SHALL DO BUSINESS IN THIS STATE UNDER ANY OF THE
21 FOLLOWING:

22 1. THE ALTERNATE NAME.

23 2. THE FOREIGN COMPANY'S OR FOREIGN SERIES' NAME, WITH THE ADDITION
24 OF ITS JURISDICTION OF FORMATION.

25 3. A NAME THE FOREIGN COMPANY OR FOREIGN SERIES IS AUTHORIZED TO
26 USE UNDER SECTION 44-1460.

27 B. IF A REGISTERED FOREIGN LIMITED LIABILITY COMPANY OR FOREIGN
28 SERIES CHANGES ITS NAME TO ONE THAT DOES NOT COMPLY WITH SECTION 29-3112,
29 IT MAY NOT DO BUSINESS IN THIS STATE UNTIL IT COMPLIES WITH SUBSECTION A
30 OF THIS SECTION BY AMENDING ITS REGISTRATION TO ADOPT AN ALTERNATE NAME
31 THAT COMPLIES WITH SECTION 29-3112.

32 29-3907. [Reserved]

33 29-3908. Withdrawal on dissolution

34 A. A REGISTERED FOREIGN LIMITED LIABILITY COMPANY OR REGISTERED
35 FOREIGN SERIES THAT HAS DISSOLVED AND COMPLETED WINDING UP OR OTHERWISE
36 HAS CEASED TO EXIST SHALL DELIVER A STATEMENT OF WITHDRAWAL TO THE
37 COMMISSION FOR FILING. THE STATEMENT MUST STATE ALL OF THE FOLLOWING:

38 1. THE NAME OF THE FOREIGN COMPANY OR FOREIGN SERIES.

39 2. THE JURISDICTION OF FORMATION OF THE FOREIGN COMPANY OR FOREIGN
40 SERIES.

41 3. THAT THE FOREIGN COMPANY OR FOREIGN SERIES SURRENDERS ITS
42 REGISTRATION TO DO BUSINESS IN THIS STATE.

43 4. THAT THE FOREIGN COMPANY OR FOREIGN SERIES HAS DISSOLVED AND
44 COMPLETED WINDING UP OR OTHERWISE HAS CEASED TO EXIST.

1 B. AFTER A WITHDRAWAL UNDER THIS SECTION HAS BECOME EFFECTIVE,
2 SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING BASED ON A CAUSE OF ACTION
3 ARISING DURING THE TIME THE FOREIGN LIMITED LIABILITY COMPANY WAS
4 REGISTERED TO DO BUSINESS IN THIS STATE MAY BE MADE PURSUANT TO SECTION
5 29-3119.

6 29-3909. [Reserved]

7 29-3910. Termination of registration

8 A. THE COMMISSION MAY TERMINATE THE REGISTRATION OF A REGISTERED
9 FOREIGN LIMITED LIABILITY COMPANY OR REGISTERED FOREIGN SERIES IN THE
10 MANNER PROVIDED IN SUBSECTIONS B AND C OF THIS SECTION IF THE COMMISSION
11 RECEIVES A DULY AUTHENTICATED CERTIFICATE FROM THE SECRETARY OF STATE OR
12 OTHER OFFICIAL HAVING CUSTODY OF THE COMPANY RECORDS IN THE STATE OR
13 COUNTRY UNDER WHOSE LAW THE FOREIGN COMPANY OR FOREIGN SERIES IS ORGANIZED
14 STATING THAT THE FOREIGN COMPANY OR FOREIGN SERIES HAS CEASED TO EXIST, OR
15 IF THE FOREIGN COMPANY OR FOREIGN SERIES DOES NOT DO ANY OF THE FOLLOWING:

16 1. PAY, NOT LATER THAN SIXTY DAYS AFTER THE DUE DATE, ANY FEE OR
17 PENALTY REQUIRED TO BE PAID TO THE COMMISSION.

18 2. HAVE A STATUTORY AGENT AS REQUIRED BY SECTION 29-3115.

19 3. HAVE A PRINCIPAL ADDRESS FOR AT LEAST SIXTY CONSECUTIVE DAYS.

20 4. NOTIFY THE COMMISSION WITHIN SIXTY DAYS AFTER ITS STATUTORY
21 AGENT OR PRINCIPAL ADDRESS HAS CHANGED OR WITHIN SIXTY DAYS AFTER ITS
22 STATUTORY AGENT HAS RESIGNED.

23 5. AMEND ITS FOREIGN REGISTRATION STATEMENT AS REQUIRED BY SECTION
24 29-3904.

25 6. RESPOND TO INTERROGATORIES AS PRESCRIBED IN SECTION 29-3212.

26 B. THE COMMISSION MAY TERMINATE THE REGISTRATION OF A REGISTERED
27 FOREIGN LIMITED LIABILITY COMPANY OR REGISTERED FOREIGN SERIES BY BOTH OF
28 THE FOLLOWING:

29 1. FILING A NOTICE OF THE TERMINATION OR NOTING THE TERMINATION IN
30 THE RECORDS OF THE COMMISSION.

31 2. DELIVERING A COPY OF THE NOTICE OR THE INFORMATION IN THE
32 NOTATION TO THE STATUTORY AGENT OF THE FOREIGN COMPANY OR FOREIGN SERIES
33 OR, IF THE FOREIGN COMPANY OR FOREIGN SERIES DOES NOT HAVE A STATUTORY
34 AGENT, TO THE PRINCIPAL ADDRESS OF THE FOREIGN COMPANY OR FOREIGN SERIES.

35 C. THE NOTICE MUST STATE OR THE INFORMATION IN THE NOTATION MUST
36 INCLUDE BOTH OF THE FOLLOWING:

37 1. THE EFFECTIVE DATE OF THE TERMINATION, WHICH MUST BE AT LEAST
38 SIXTY DAYS AFTER THE DATE THE COMMISSION DELIVERS THE COPY OF THE NOTICE
39 OR THE INFORMATION IN THE NOTATION.

40 2. THE GROUNDS FOR TERMINATION UNDER SUBSECTION A OF THIS SECTION.

41 D. THE AUTHORITY OF A REGISTERED FOREIGN LIMITED LIABILITY COMPANY
42 OR REGISTERED FOREIGN SERIES TO DO BUSINESS IN THIS STATE CEASES ON THE
43 EFFECTIVE DATE OF THE NOTICE OF THE TERMINATION OR NOTATION UNDER
44 SUBSECTION B OF THIS SECTION, UNLESS BEFORE THAT DATE THE FOREIGN COMPANY
45 OR FOREIGN SERIES CURES EACH GROUND FOR TERMINATION STATED IN THE NOTICE

1 OR NOTATION. IF THE FOREIGN COMPANY OR FOREIGN SERIES CURES EACH GROUND,
2 THE COMMISSION SHALL FILE A RECORD STATING THAT THE FOREIGN COMPANY OR
3 FOREIGN SERIES CURED EACH GROUND.

4 29-3911. Withdrawal of registration

5 A. A REGISTERED FOREIGN LIMITED LIABILITY COMPANY OR REGISTERED
6 FOREIGN SERIES MAY WITHDRAW ITS REGISTRATION BY DELIVERING A STATEMENT OF
7 WITHDRAWAL TO THE COMMISSION FOR FILING. THE STATEMENT OF WITHDRAWAL MUST
8 STATE ALL OF THE FOLLOWING:

9 1. THE NAME OF THE FOREIGN COMPANY OR FOREIGN SERIES, THE NAME OF
10 THE DESIGNATING FOREIGN COMPANY OF THE FOREIGN SERIES AND THE JURISDICTION
11 OF FORMATION OF THE FOREIGN COMPANY OR DESIGNATING FOREIGN COMPANY.

12 2. THAT THE FOREIGN COMPANY OR FOREIGN SERIES IS NOT DOING BUSINESS
13 IN THIS STATE AND THAT IT WITHDRAWS ITS REGISTRATION TO DO BUSINESS IN
14 THIS STATE.

15 3. THAT THE FOREIGN COMPANY OR FOREIGN SERIES REVOKES THE AUTHORITY
16 OF ITS STATUTORY AGENT TO ACCEPT SERVICE ON ITS BEHALF IN THIS STATE.

17 4. AN ADDRESS TO WHICH SERVICE OF PROCESS MAY BE MADE UNDER
18 SUBSECTION B OF THIS SECTION.

19 B. AFTER THE WITHDRAWAL OF THE REGISTRATION OF A FOREIGN LIMITED
20 LIABILITY COMPANY OR FOREIGN SERIES, SERVICE OF PROCESS IN ANY ACTION OR
21 PROCEEDING BASED ON A CAUSE OF ACTION ARISING DURING THE TIME THE FOREIGN
22 COMPANY OR FOREIGN SERIES WAS REGISTERED TO DO BUSINESS IN THIS STATE MAY
23 BE MADE PURSUANT TO SECTION 29-3119.

24 29-3912. Action by attorney general

25 THE ATTORNEY GENERAL MAY MAINTAIN AN ACTION TO ENJOIN A FOREIGN
26 LIMITED LIABILITY COMPANY OR FOREIGN SERIES FROM DOING BUSINESS IN THIS
27 STATE IN VIOLATION OF THIS ARTICLE.

28 ARTICLE 10. MERGER, INTEREST EXCHANGE, CONVERSION,
29 DOMESTICATION AND DIVISION

30 29-4001. Definitions

31 A. IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

32 1. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION,
33 DOMESTICATION OR DIVISION, AS APPLICABLE.

34 2. "TRANSACTION" MEANS A MERGER, AN INTEREST EXCHANGE, A
35 CONVERSION, A DOMESTICATION OR A DIVISION, AS APPLICABLE.

36 B. EXCEPT FOR TERMS DEFINED IN SECTION 29-3102 OR UNLESS THE
37 CONTEXT OTHERWISE REQUIRES, TERMS USED IN THIS ARTICLE HAVE THE SAME
38 MEANINGS PRESCRIBED IN CHAPTER 6 OF THIS TITLE.

39 29-4002. Appraisal rights

40 AN INTEREST HOLDER OF A DOMESTIC LIMITED LIABILITY COMPANY THAT IS A
41 MERGING, CONVERTING, DOMESTICATING OR DIVIDING ENTITY OR THE ACQUIRED
42 ENTITY IN AN INTEREST EXCHANGE IS ENTITLED TO CONTRACTUAL APPRAISAL RIGHTS
43 IN CONNECTION WITH A TRANSACTION UNDER THIS ARTICLE TO THE EXTENT PROVIDED
44 IN THE OPERATING AGREEMENT OR THE PLAN.

1 29-4003. Entity restructuring transactions

2 A. IF A PLAN IS APPROVED AS PROVIDED BY SECTION 29-4004, A DOMESTIC
3 LIMITED LIABILITY COMPANY MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A
4 TRANSACTION BY ADOPTING A PLAN AND OTHERWISE COMPLYING WITH THIS ARTICLE
5 AND:

- 6 1. CHAPTER 6, ARTICLE 2 OF THIS TITLE FOR A MERGER.
7 2. CHAPTER 6, ARTICLE 3 OF THIS TITLE FOR AN INTEREST EXCHANGE.
8 3. CHAPTER 6, ARTICLE 4 OF THIS TITLE FOR A CONVERSION.
9 4. CHAPTER 6, ARTICLE 5 OF THIS TITLE FOR A DOMESTICATION.
10 5. CHAPTER 6, ARTICLE 6 OF THIS TITLE FOR A DIVISION.

11 B. THE EFFECTIVE TIME AND DATE OF THE TRANSACTION ARE AS PROVIDED
12 IN CHAPTER 6 OF THIS TITLE. EXCEPT AS EXPRESSLY SET FORTH IN THIS
13 ARTICLE, THE PROCEDURES REGARDING THE EFFECT OF AND ALL OTHER ASPECTS OF
14 THE TRANSACTION ARE GOVERNED BY CHAPTER 6 OF THIS TITLE.

15 C. THIS SECTION DOES NOT LIMIT THE POWER OF A LIMITED LIABILITY
16 COMPANY TO ACQUIRE ALL OR PART OF THE INTERESTS OF ANOTHER ENTITY THROUGH
17 A VOLUNTARY EXCHANGE OR OTHERWISE.

18 29-4004. Action on plan

19 IF A DOMESTIC LIMITED LIABILITY COMPANY IS A MERGING, CONVERTING,
20 DOMESTICATING OR DIVIDING ENTITY OR THE ACQUIRED ENTITY IN AN INTEREST
21 EXCHANGE, A PLAN MUST BE APPROVED BY ALL THE MEMBERS OF THE COMPANY
22 ENTITLED TO VOTE ON OR CONSENT TO ANY MATTER.

23 29-4005. Statement of merger or other transaction as articles
24 of termination; publication or posting

25 A. A STATEMENT OF MERGER, CONVERSION, DOMESTICATION OR DIVISION
26 SHALL SERVE AS THE ARTICLES OF TERMINATION FOR A DOMESTIC LIMITED
27 LIABILITY COMPANY THAT IS NOT THE SURVIVING OR RESULTING BUSINESS ENTITY
28 IN A TRANSACTION.

29 B. IF A STATEMENT OF MERGER INCLUDES AMENDMENTS TO THE ARTICLES OF
30 ORGANIZATION OF A DOMESTIC LIMITED LIABILITY COMPANY, THE DOCUMENT SHALL
31 BE PUBLISHED AS PROVIDED IN SECTION 29-3202, SUBSECTION H, PARAGRAPH 1 OR
32 THE COMMISSION SHALL INPUT THE INFORMATION INTO THE DATABASE AS PRESCRIBED
33 BY SECTION 29-3202, SUBSECTION H, PARAGRAPH 2. THE DOCUMENT REQUIRED TO
34 BE FILED AND PUBLISHED OR POSTED SHALL BE STYLED "STATEMENT OF MERGER".

35 ARTICLE 11. PROFESSIONAL LIMITED LIABILITY COMPANIES

36 29-4101. Definitions

37 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

38 1. "LICENSE" MEANS A LICENSE, A CERTIFICATE OF REGISTRATION OR ANY
39 OTHER EVIDENCE OF THE SATISFACTION OF THE REQUIREMENTS OF A LICENSING
40 AUTHORITY FOR THE PRACTICE OF A PROFESSIONAL SERVICE.

41 2. "LICENSED PERSON" MEANS A PERSON WHO IS DULY LICENSED BY AT
42 LEAST ONE LICENSING AUTHORITY TO PROVIDE AT LEAST ONE OF THE CATEGORIES OF
43 PROFESSIONAL SERVICES RENDERED BY THE PROFESSIONAL LIMITED LIABILITY
44 COMPANY.

1 3. "LICENSING AUTHORITY" MEANS THE OFFICER, BOARD, AGENCY, COURT OR
2 OTHER AUTHORITY EMPOWERED BY LAW TO LICENSE OR OTHERWISE AUTHORIZE THE
3 RENDITION OF A PROFESSIONAL SERVICE.

4 4. "PROFESSIONAL LIMITED LIABILITY COMPANY" MEANS A LIMITED
5 LIABILITY COMPANY ORGANIZED UNDER THIS CHAPTER FOR PURPOSES THAT INCLUDE
6 RENDERING ONE OR MORE CATEGORIES OF PROFESSIONAL SERVICES.

7 5. "PROFESSIONAL SERVICE" MEANS A SERVICE THAT MAY BE LAWFULLY
8 RENDERED ONLY BY A LICENSED PERSON OR PERSON OTHERWISE AUTHORIZED BY A
9 LICENSING AUTHORITY TO RENDER THE SERVICE.

10 29-4102. Professional limited liability company formation

11 A. ONE OR MORE PERSONS MAY FORM A PROFESSIONAL LIMITED LIABILITY
12 COMPANY BY FILING ARTICLES OF ORGANIZATION WITH THE COMMISSION THAT, IN
13 ADDITION TO THE INFORMATION REQUIRED UNDER SECTION 29-3201, SPECIFY BOTH
14 OF THE FOLLOWING:

15 1. THAT THE COMPANY IS A PROFESSIONAL LIMITED LIABILITY COMPANY.

16 2. THE PROFESSIONAL SERVICE OR SERVICES THAT THE PROFESSIONAL
17 LIMITED LIABILITY COMPANY IS ORGANIZED TO PROVIDE.

18 B. A LIMITED LIABILITY COMPANY ORGANIZED UNDER A LAW OF THIS STATE
19 OTHER THAN THIS ARTICLE MAY ELECT PROFESSIONAL LIMITED LIABILITY COMPANY
20 STATUS BY AMENDING ITS ARTICLES OF ORGANIZATION PURSUANT TO SECTION
21 29-3202 TO COMPLY WITH SUBSECTION A OF THIS SECTION AND WITH SECTION
22 29-4106.

23 29-4103. Exclusions from article

24 A. THIS ARTICLE DOES NOT ALTER THE RIGHT OF LICENSED PERSONS TO
25 PERFORM PROFESSIONAL SERVICES IN ANY OTHER BUSINESS FORM ALLOWED BY LAW.

26 B. THIS ARTICLE DOES NOT PROHIBIT A PROFESSIONAL LIMITED LIABILITY
27 COMPANY FROM EMPLOYING PERSONS WHO ARE NOT LICENSED TO PERFORM
28 PROFESSIONAL SERVICES THAT ARE RENDERED BY THE COMPANY IF ALL OF THE
29 FOLLOWING APPLY:

30 1. THE UNLICENSED PERSONS WORK AT THE DIRECTION OR UNDER THE
31 SUPERVISION OF LICENSED PERSONS.

32 2. THE UNLICENSED PERSONS DO NOT HOLD THEMSELVES OUT TO THE PUBLIC
33 GENERALLY AS BEING AUTHORIZED TO PERFORM THE PROFESSIONAL SERVICES
34 RENDERED BY THE COMPANY.

35 3. THE UNLICENSED PERSONS ARE NOT PROHIBITED BY THE LICENSING
36 AUTHORITY REGULATING ANY OF THE PROFESSIONAL SERVICES RENDERED BY THE
37 PROFESSIONAL LIMITED LIABILITY COMPANY FROM BEING SO EMPLOYED.

38 29-4104. Application of general limited liability company law

39 PROFESSIONAL LIMITED LIABILITY COMPANIES SHALL BE GOVERNED BY THE
40 LAWS APPLICABLE TO OTHER LIMITED LIABILITY COMPANIES EXCEPT INSOFAR AS THE
41 LAWS ARE LIMITED OR ENLARGED BY OR CONTRARY TO THIS ARTICLE, IN ANY OF
42 WHICH EVENTS THIS ARTICLE SHALL BE CONTROLLING.

43 29-4105. Special restrictions

44 A. A PROFESSIONAL LIMITED LIABILITY COMPANY MAY RENDER A CATEGORY
45 OF PROFESSIONAL SERVICES IN THIS STATE ONLY THROUGH ITS MEMBERS, MANAGERS,

1 OFFICERS, AGENTS AND EMPLOYEES WHO ARE THEMSELVES LICENSED PERSONS
2 QUALIFIED IN THIS STATE TO PERFORM THAT CATEGORY OF PROFESSIONAL SERVICES.
3 THIS ARTICLE DOES NOT LIMIT OR RESTRICT THE OPERATION OF ANY LIMITED
4 LIABILITY COMPANY OR ITS MEMBERS, INCLUDING ANY LICENSED PERSON, TO THE
5 EXTENT THE COMPANY IS OTHERWISE AUTHORIZED UNDER APPLICABLE LAW
6 ADMINISTERED BY THE LICENSING AUTHORITY TO RENDER PROFESSIONAL SERVICES
7 THROUGH A LIMITED LIABILITY COMPANY THAT IS NOT SUBJECT TO THIS ARTICLE.

8 B. A PROFESSIONAL LIMITED LIABILITY COMPANY MAY ISSUE A
9 TRANSFERABLE INTEREST OR ADMIT AS A MEMBER ANY PERSON UNLESS THE COMPANY
10 IS PROHIBITED FROM DOING SO BY THE LICENSING AUTHORITY.

11 C. A TRANSFERABLE INTEREST IN A PROFESSIONAL LIMITED LIABILITY
12 COMPANY MAY BE TRANSFERRED TO ANY PERSON UNLESS THE TRANSFER IS PROHIBITED
13 BY THE LICENSING AUTHORITY. A MEMBER THAT TRANSFERS A TRANSFERABLE
14 INTEREST IN VIOLATION OF THIS SUBSECTION SHALL BE DEEMED TO HAVE
15 DISSOCIATED AS A MEMBER UNDER SECTION 29-3602.

16 29-4106. Name

17 THE NAME OF A PROFESSIONAL LIMITED LIABILITY COMPANY AUTHORIZED TO
18 TRANSACT BUSINESS IN THIS STATE SHALL SATISFY THE REQUIREMENTS OF SECTION
19 29-3112, EXCEPT THAT THE NAME SHALL CONTAIN THE WORDS "PROFESSIONAL
20 LIMITED LIABILITY COMPANY" OR THE ABBREVIATION "P.L.L.C.", "P.L.C.",
21 "PLLC" OR "PLC" IN UPPERCASE OR LOWERCASE LETTERS.

22 29-4107. Professional relations and responsibility

23 THIS ARTICLE DOES NOT ALTER ANY LAW APPLICABLE TO THE RELATIONSHIP
24 BETWEEN A PERSON PERFORMING PROFESSIONAL SERVICES AND A PERSON RECEIVING
25 THOSE SERVICES, INCLUDING LIABILITY ARISING OUT OF THOSE PROFESSIONAL
26 SERVICES.

27 29-4108. Disciplinary powers of regulating licensing
28 authorities

29 A. A PROFESSIONAL LIMITED LIABILITY COMPANY MAY NOT PERFORM ANY ACT
30 THAT IS PROHIBITED TO BE PERFORMED BY INDIVIDUALS LICENSED TO PERFORM
31 PROFESSIONAL SERVICES THAT ARE RENDERED BY THE COMPANY.

32 B. EACH MEMBER, MANAGER, OFFICER, AGENT AND EMPLOYEE OF A
33 PROFESSIONAL LIMITED LIABILITY COMPANY WHO IS A LICENSED PERSON IN THE
34 JURISDICTION IN WHICH THE PERSON PERFORMS PROFESSIONAL SERVICES IS SUBJECT
35 TO THE RULES AND REGULATIONS ADOPTED BY AND THE DISCIPLINARY POWERS OF THE
36 LICENSING AUTHORITY OR LICENSING AUTHORITIES REGULATING THE PROFESSIONAL
37 SERVICES RENDERED BY THE COMPANY IN THE JURISDICTION IN WHICH THE PERSON
38 PERFORMS PROFESSIONAL SERVICES.

39 ARTICLE 12. MISCELLANEOUS PROVISIONS

40 29-4201. Uniformity of application and construction

41 IN APPLYING AND CONSTRUING THIS UNIFORM ACT, CONSIDERATION MUST BE
42 GIVEN TO THE NEED TO PROMOTE UNIFORMITY OF THE LAW WITH RESPECT TO ITS
43 SUBJECT MATTER AMONG STATES THAT ENACT THE UNIFORM ACT.

1 29-4202. Relation to electronic signatures in global and
2 national commerce act

3 THIS CHAPTER MODIFIES, LIMITS AND SUPERSEDES THE ELECTRONIC
4 SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT, 15 UNITED STATES CODE
5 SECTIONS 7001 THROUGH 7031, BUT DOES NOT MODIFY, LIMIT OR SUPERSEDE
6 SECTION 101(c) OF THAT ACT, 15 UNITED STATES CODE SECTION 7001(c), OR
7 AUTHORIZE ELECTRONIC DELIVERY OF ANY OF THE NOTICES DESCRIBED IN SECTION
8 103(b) OF THAT ACT, 15 UNITED STATES CODE SECTION 7003(b).

9 Sec. 5. Effective date

10 This act is effective from and after August 31, 2019.

11 Sec. 6. Savings clause

12 This act does not affect an action commenced, proceeding brought or
13 right accrued before September 1, 2019. With respect to a limited
14 liability company formed before September 1, 2019, the rights and
15 obligations of the company's members and managers relating to matters
16 arising and events occurring before September 1, 2020, based on events and
17 activities occurring before September 1, 2020, shall be determined
18 according to the law and terms of the operating agreement in effect at the
19 time of the matters and events.

20 Sec. 7. Conforming legislation

21 The legislative council staff shall prepare proposed legislation
22 conforming the Arizona Revised Statutes to the provisions of this act for
23 consideration in the fifty-fourth legislature, second regular session.