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

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

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

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

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

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59 605.0101 Short title.—Sections 605.0101-605.1108 may be
60 cited as the “Florida Revised Limited Liability Company Act.”

61 605.0102 Definitions.—As used in this chapter, the term:

62 (1) “Acquired entity” means the entity that has all of one
63 or more of its classes or series of interests acquired in an
64 interest exchange.

65 (2) “Acquiring entity” means the entity that acquires all
66 of one or more classes or series of interests of the acquired
67 entity in an interest exchange.

68 (3) “Articles of conversion” means the articles of
69 conversion required under s. 605.1045. The term includes the
70 articles of conversion as amended or restated.

71 (4) “Articles of domestication” means the articles of
72 domestication required under s. 605.1055. The term includes the
73 articles of domestication as amended or restated.

74 (5) “Articles of interest exchange” means the articles of
75 interest exchange required under s. 605.1035. The term includes
76 the articles of interest exchange as amended or restated.

77 (6) “Articles of merger” means the articles of merger
78 required under s. 605.1025. The term includes the articles of
79 merger as amended or restated.

80 (7) “Articles of organization” means the articles of
81 organization required under s. 605.0201. The term includes the
82 articles of organization as amended or restated.

83 (8) “Authorized representative” means:

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

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88 (b) In the case of an existing limited liability company,
89 with respect to the execution and filing of a record with the
90 department or taking any other action required or authorized
91 under this chapter:

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

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

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

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

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

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

114 (11) "Conversion" means a transaction authorized under ss.
115 605.1041-605.1046.

116 (12) "Converted entity" means the converting entity as it

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117 continues in existence after a conversion.

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

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

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

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

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

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

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

134 (a) The term includes:

135 1. A redemption or other purchase by a limited liability
136 company of a transferable interest.

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

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

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

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

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

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

157 (22) "Domestication" means a transaction authorized under
158 ss. 605.1051-605.1056.

159 (23) (a) "Entity" means:
160 1. A business corporation;
161 2. A nonprofit corporation;
162 3. A general partnership, including a limited liability
163 partnership;
164 4. A limited partnership, including a limited liability
165 limited partnership;
166 5. A limited liability company;
167 6. A real estate investment trust; or
168 7. Any other domestic or foreign entity that is organized
169 under an organic law.

170 (b) "Entity" does not include:
171 1. An individual;
172 2. A trust with a predominantly donative purpose or a
173 charitable trust;
174 3. An association or relationship that is not a partnership

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175 solely by reason of s. 620.8202(3) or a similar provision of the
176 law of another jurisdiction;

177 4. A decedent's estate; or

178 5. A government or a governmental subdivision, agency, or
179 instrumentality.

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

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

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

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

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

194 (b) Vote for or consent to the election of the governors of
195 the entity; or

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

198 (28) "Governor" means:

199 (a) A director of a business corporation;

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

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

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

203 (e) A manager of a manager-managed limited liability

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204 company;

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

206 (g) A director or a trustee of a real estate investment
207 trust; or

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

212 (29) "Interest" means:

213 (a) A share in a business corporation;

214 (b) A membership in a nonprofit corporation;

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

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

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

218 (f) A share or beneficial interest in a real estate
219 investment trust;

220 (g) A member's interest in a limited cooperative
221 association;

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

224 (i) A governance interest or distributional interest in
225 another entity.

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

228 (31) "Interest holder" means:

229 (a) A shareholder of a business corporation;

230 (b) A member of a nonprofit corporation;

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

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

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233 (e) A limited partner of a limited partnership;
234 (f) A member of a limited liability company;
235 (g) A shareholder or beneficial owner of a real estate
236 investment trust;
237 (h) A beneficiary or beneficial owner of a statutory trust,
238 business trust, or common law business trust; or
239 (i) Another direct holder of an interest.
240 (32) "Interest holder liability" means:
241 (a) Personal liability for a liability of an entity which
242 is imposed on a person:
243 1. Solely by reason of the status of the person as an
244 interest holder; or
245 2. By the organic rules of the entity which make one or
246 more specified interest holders or categories of interest
247 holders liable in their capacity as interest holders for all or
248 specified liabilities of the entity.
249 (b) An obligation of an interest holder under the organic
250 rules of an entity to contribute to the entity.
251 (33) "Jurisdiction," if used to refer to a political
252 entity, means the United States, a state, a foreign country, or
253 a political subdivision of a foreign country.
254 (34) "Jurisdiction of formation" means, with respect to an
255 entity:
256 (a) The jurisdiction under whose organic law the entity is
257 formed, incorporated, or created or otherwise comes into being;
258 however, for these purposes, if an entity exists under the law
259 of a jurisdiction different from the jurisdiction under which
260 the entity originally was formed, incorporated, or created or
261 otherwise came into being, then the jurisdiction under which the

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262 entity then exists is treated as the jurisdiction of formation;
263 or

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

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

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

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

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

290 (b) In the case of a limited liability company having more

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

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

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

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

306 (a) Is a member of a limited liability company under s.
307 605.0401 or was a member in a company when the company became
308 subject to this chapter; and

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

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

313 (42) "Merger" means a transaction authorized under ss.
314 605.1021-605.1026.

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

318 (44) "Non-United States entity" means a foreign entity
319 other than an entity with a jurisdiction of formation that is

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320 not a state.

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

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

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

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

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

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

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

346 (52) "Plan of interest exchange" means a plan under s.
347 605.1032 and includes the plan of interest exchange as amended
348 or restated.

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

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

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

359 (a) The bylaws of a business corporation.
360 (b) The bylaws of a nonprofit corporation.
361 (c) The partnership agreement of a general partnership.
362 (d) The partnership agreement of a limited partnership.
363 (e) The operating agreement of a limited liability company.
364 (f) The bylaws, trust instrument, or similar rules of a
365 real estate investment trust.

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

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

370 (57) "Protected agreement" means:

371 (a) A record evidencing indebtedness and any related
372 agreement in effect on January 1, 2014;
373 (b) An agreement that is binding on an entity on January 1,
374 2014;

375 (c) The organic rules of an entity in effect on January 1,
376 2014; or
377 (d) An agreement that is binding on any of the governors or

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378 interest holders of an entity on January 1, 2014.

379 (58) "Public organic record" means a record, the filing of
380 which by a governmental body is required to form an entity, and
381 an amendment to or restatement of that record. The term includes
382 the following:

383 (a) The articles of incorporation of a business
384 corporation.

385 (b) The articles of incorporation of a nonprofit
386 corporation.

387 (c) The certificate of limited partnership of a limited
388 partnership.

389 (d) The articles of organization of a limited liability
390 company.

391 (e) The articles of incorporation of a general cooperative
392 association or a limited cooperative association.

393 (f) The certificate of trust of a statutory trust or
394 similar record of a business trust.

395 (g) The articles of incorporation of a real estate
396 investment trust.

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

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

404 (61) "Registered foreign limited liability company" means a
405 foreign limited liability company that has a certificate of
406 authority to transact business in this state pursuant to a

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407 record filed with the department.

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

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

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

414

415 The terms "signed" and "signature" have the corresponding
416 meanings.

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

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

423 (65) "Transfer" includes:

424 (a) An assignment.

425 (b) A conveyance.

426 (c) A sale.

427 (d) A lease.

428 (e) An encumbrance, including a mortgage or security
429 interest.

430 (f) A gift.

431 (g) A transfer by operation of law.

432 (66) "Transferable interest" means the right, as initially
433 owned by a person in the person's capacity as a member, to
434 receive distributions from a limited liability company in
435 accordance with the operating agreement, whether the person

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436 remains a member or continues to own a part of the right. The
437 term applies to any fraction of the interest, by whomever owned.

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

442 (68) "Type of entity" means a generic form of entity that
443 is:

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

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

453 605.0103 Knowledge; notice.—

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

455 (a) Has actual knowledge of the fact; or
456 (b) Is deemed to know the fact under paragraph (4)(b), or a
457 law other than this chapter.

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

459 (a) Has reason to know the fact from all of the facts known
460 to the person at the time in question; or
461 (b) Is deemed to have notice of the fact under paragraph
462 (4)(b).

463 (3) Subject to s. 605.0210(8), a person notifies another
464 person of a fact by taking steps reasonably required to inform

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465 the other person in the ordinary course of events, regardless of
466 whether those steps actually cause the other person to know of
467 the fact.

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

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

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

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

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

476 3. Participation in a merger, interest exchange,
477 conversion, or domestication, 90 days after the articles of
478 merger, articles of interest exchange, articles of conversion,
479 or articles of domestication under s. 605.1025, s. 605.1035, s.
480 605.1045, or s. 605.1055, respectively, become effective;

481 4. Declaration in its articles of organization that it is
482 manager-managed in accordance with s. 605.0201(3)(a); however,
483 if such a declaration has been added or changed by an amendment
484 or amendment and restatement of the articles of organization,
485 notice of the addition or change may not become effective until
486 90 days after the effective date of such amendment or amendment
487 and restatement; and

488 5. Grant of authority to or limitation imposed on the
489 authority of a person holding a position or having a specified
490 status in a company, or grant of authority to or limitation
491 imposed on the authority of a specific person, if the grant of
492 authority or limitation imposed on the authority is described in
493 the articles of organization in accordance with s.

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494 605.0201(3) (d); however, if that description has been added or
495 changed by an amendment or an amendment and restatement of the
496 articles of organization, notice of the addition or change may
497 not become effective until 90 days after the effective date of
498 such amendment or amendment and restatement.

499 605.0104 Governing law.—The law of this state governs:
500 (1) The internal affairs of a limited liability company.
501 (2) The liability of a member as member, and a manager as
502 manager, for the debts, obligations, or other liabilities of a
503 limited liability company.

504 605.0105 Operating agreement; scope, function, and
505 limitations.—

506 (1) Except as otherwise provided in subsections (3) and
507 (4), the operating agreement governs the following:
508 (a) Relations among the members as members and between the
509 members and the limited liability company.
510 (b) The rights and duties under this chapter of a person in
511 the capacity of manager.
512 (c) The activities and affairs of the company and the
513 conduct of those activities and affairs.
514 (d) The means and conditions for amending the operating
515 agreement.

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

519 (3) An operating agreement may not do any of the following:
520 (a) Vary a limited liability company's capacity under s.

521 605.0109 to sue and be sued in its own name.

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

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

525 1. Registered agents; or

526 2. The department, including provisions pertaining to
527 records authorized or required to be delivered to the department
528 for filing under this chapter.

529 (d) Vary the provisions of s. 605.0204.

530 (e) Eliminate the duty of loyalty or the duty of care under
531 s. 605.04091, except as otherwise provided in subsection (4).

532 (f) Eliminate the obligation of good faith and fair dealing
533 under s. 605.04091, but the operating agreement may prescribe
534 the standards by which the performance of the obligation is to
535 be measured if the standards are not manifestly unreasonable.

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

539 (h) Unreasonably restrict the duties and rights stated in
540 s. 605.0410, but the operating agreement may impose reasonable
541 restrictions on the availability and use of information obtained
542 under that section and may define appropriate remedies,
543 including liquidated damages, for a breach of a reasonable
544 restriction on use.

545 (i) Vary the power of a person to dissociate under s.
546 605.0601, except to require that the notice under s. 605.0602(1)
547 be in a record.

548 (j) Vary the grounds for dissolution specified in s.
549 605.0702.

550 (k) Vary the requirement to wind up the company's business,
551 activities, and affairs as specified in s. 605.0709(1), (2)(a),

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552 and (5).

553 (1) Unreasonably restrict the right of a member to maintain
554 an action under ss. 605.0801-605.0806.

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

559 (n) Vary the right of a member to approve a merger,
560 interest exchange, or conversion under s. 605.1023(1)(b), s.
561 605.1033(1)(b), or s. 605.1043(1)(b), respectively.

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

566 (p) Except as otherwise provided in ss. 605.0106 and
567 605.0107(2), restrict the rights under this chapter of a person
568 other than a member or manager.

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

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

573 2. A transaction from which the member or manager derived
574 an improper personal benefit.

575 3. A circumstance under which the liability provisions of
576 s. 605.0406 are applicable.

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

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

584 (a) The operating agreement may:

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

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

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

601 (c) If not manifestly unreasonable, the operating agreement
602 may:

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

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

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

609 (5) The court shall decide as a matter of law whether a

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610 term of an operating agreement is manifestly unreasonable under
611 paragraph (3)(f) or paragraph (4)(c). The court:

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

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

618 1. The objective of the term is unreasonable; or
619 2. The term is an unreasonable means to achieve the
620 provision's objective.

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

626 605.0106 Operating agreement; effect on limited liability
627 company and person becoming member; preformation agreement;
628 other matters involving operating agreement.—

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

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

636 (3) Two or more persons who intend to become the initial
637 members of a limited liability company may make an agreement
638 providing that, upon the formation of the company, the agreement

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639 will become the operating agreement. One person who intends to
640 become the initial member of a limited liability company may
641 assent to terms that will become the operating agreement upon
642 formation of the company.

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

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

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

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

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

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

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

666 2. Without the execution of the operating agreement, if the
667 person or a representative authorized by the person orally, in

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writing, or by other action such as payment for a limited liability company interest complies with the conditions for becoming a member or transferee as provided in the operating agreement or another record; and

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

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

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

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

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

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

(3) If a record delivered to the department for filing

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697 becomes effective under this chapter and contains a provision
698 that would be ineffective under s. 605.0105(3) or (4)(c) if
699 contained in the operating agreement, the provision is
700 ineffective in the record.

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

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

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

709 605.0108 Nature, purpose, and duration of limited liability
710 company.-

711 (1) A limited liability company is an entity distinct from
712 its members.

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

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

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

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

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

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726 wherever located.

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

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

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

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

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

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

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

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

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755 (11) Be a promoter, incorporator, shareholder, partner,
756 member, associate, or manager of a corporation, partnership,
757 joint venture, trust, or other entity.

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

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

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

767 605.0110 Limited liability company property.—

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

772 (2) Property acquired with limited liability company funds
773 is limited liability company property.

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

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

781 605.0111 Rules of construction and supplemental principles
782 of law.—

783 (1) It is the intent of this chapter to give the maximum

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784 effect to the principle of freedom of contract and to the
785 enforceability of operating agreements, including the purposes
786 of ss. 605.0105-605.0107.

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

790 605.0112 Name.—

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

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

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

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

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

812 (2) Subject to s. 605.0905, this section applies to a

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813 foreign limited liability company transacting business in this
814 state which has a certificate of authority to transact business
815 in this state or which has applied for a certificate of
816 authority.

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

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

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

834 605.0113 Registered agent.—

835 (1) Each limited liability company and each foreign limited
836 liability company that has a certificate of authority under s.
837 605.0902 shall designate and continuously maintain in this
838 state:

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

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

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842 1. An individual who resides in this state and whose
843 business address is identical to the address of the registered
844 office; or

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

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

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

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

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

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

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

878 605.0114 Change of registered agent or registered office.—

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

883 (a) The name of the limited liability company or foreign
884 limited liability company.

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

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

888 (d) The street address of its current registered office for
889 its registered agent.

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

893 (2) If the registered agent is changed, the written
894 acceptance of the successor registered agent described in s.
895 605.0113(2) must also be included in or attached to the
896 statement of change.

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

899 (4) The changes described in this section may also be made

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

907 605.0115 Resignation of registered agent.—

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

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

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

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

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

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

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929 company.

930 (5) A registered agent may resign from a limited liability
931 company or foreign limited liability company regardless of
932 whether the company or foreign limited liability company has
933 active status.

934 605.0116 Change of name or address by registered agent.-

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

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

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

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

944 (d) If the address of the agent has changed, the new
945 address.

946 (e) That the registered agent has given the notice required
947 under subsection (2).

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

952 605.0117 Service of process, notice, or demand.-

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

957 (2) If a limited liability company or registered foreign

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958 limited liability company ceases to have a registered agent or
959 if its registered agent cannot with reasonable diligence be
960 served, the process, notice, or demand required or permitted by
961 law may instead be served:

962 (a) On a member of a member-managed limited liability
963 company or registered foreign limited liability company; or

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

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

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

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

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

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

982 605.0118 Delivery of record.—

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

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987 (2) Except as provided in subsection (3), delivery to the
988 department is effective only when a record is received by the
989 department.

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

996 605.0119 Waiver of notice.—If, pursuant to this chapter or
997 the articles of organization or operating agreement of a limited
998 liability company, notice is required to be given to a member of
999 a limited liability company or to a manager of a limited
1000 liability company having a manager or managers, a waiver in
1001 writing signed by the person or persons entitled to the notice,
1002 whether made before or after the time for notice to be given, is
1003 equivalent to the giving of notice.

1004 605.0201 Formation of limited liability company; articles
1005 of organization.—

1006 (1) One or more persons may act as authorized
1007 representatives to form a limited liability company by signing
1008 and delivering articles of organization to the department for
1009 filing.

1010 (2) The articles of organization must state the following:

1011 (a) The name of the limited liability company, which must
1012 comply with s. 605.0112.

1013 (b) The street and mailing addresses of the company's
1014 principal office.

1015 (c) The name, street address in this state, and written

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1016 acceptance of the company's initial registered agent.

1017 (3) The articles of organization may contain statements on
1018 matters other than those required under subsection (2), but may
1019 not vary from or otherwise affect the provisions specified in s.
1020 605.0105(3) in a manner inconsistent with that subsection.

1021 Additional statements may include one or more of the following:

1022 (a) A declaration as to whether the limited liability
1023 company is manager-managed for purposes of s. 605.0407 and other
1024 relevant provisions of this chapter.

1025 (b) For a manager-managed limited liability company, the
1026 names and addresses of one or more of the managers of the
1027 company.

1028 (c) For a member-managed limited liability company, the
1029 names and addresses of one or more of the members of the
1030 company.

1031 (d) A description of the authority or limitation on the
1032 authority of a specific person in the company or a person
1033 holding a position or having a specified status in the company.

1034 (e) Any other relevant matters.

1035 (4) A limited liability company is formed when the
1036 company's articles of organization become effective under s.
1037 605.0207 and when at least one person becomes a member at the
1038 time the articles of organization become effective. By signing
1039 the articles of organization, the person who signs the articles
1040 of organization affirms that the company has or will have at
1041 least one member as of the time the articles of organization
1042 become effective.

1043 605.0202 Amendment or restatement of articles of
1044 organization.-

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1045 (1) The articles of organization may be amended or restated
1046 at any time.

1047 (2) To amend the articles of organization, a limited
1048 liability company must deliver to the department for filing an
1049 amendment, designated as such in its heading, which contains the
1050 following:

1051 (a) The present name of the company.

1052 (b) The date of filing of the company's articles of
1053 organization.

1054 (c) The amendment to the articles of organization.

1055 (d) The delayed effective date, as provided under s.

1056 605.0207, if the amendment is not effective on the date the
1057 department files the amendment.

1058 (3) To restate its articles of organization, a limited
1059 liability company must deliver to the department for filing an
1060 instrument, entitled "Restatement of Articles of Organization,"
1061 which contains the following:

1062 (a) The present name of the company.

1063 (b) The date of the filing of its articles of organization.

1064 (c) All of the provisions of its articles of organization
1065 in effect, as restated.

1066 (d) The delayed effective date, as provided under s.

1067 605.0207, if the restatement is not effective on the date the
1068 department files the restatement.

1069 (4) A restatement of the articles of organization of a
1070 limited liability company may also contain one or more
1071 amendments to the articles of organization, in which case the
1072 instrument must be entitled "Amended and Restated Articles of
1073 Organization."

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1074 (5) If a member of a member-managed limited liability
1075 company or a manager of a manager-managed limited liability
1076 company knew that information contained in filed articles of
1077 organization was inaccurate when the articles of organization
1078 were filed or became inaccurate due to changed circumstances,
1079 the member or manager shall promptly:

1080 (a) Cause the articles of organization to be amended; or
1081 (b) If appropriate, deliver to the department for filing a
1082 statement of change under s. 605.0114 or a statement of
1083 correction under s. 605.0209.

1084 605.0203 Signing of records to be delivered for filing to
1085 department.—

1086 (1) A record delivered to the department for filing
1087 pursuant to this chapter must be signed as follows:

1088 (a) Except as otherwise provided in paragraphs (b) and (c),
1089 a record signed on behalf of a limited liability company must be
1090 signed by a person authorized by the company.

1091 (b) A company's initial articles of organization must be
1092 signed by at least one person acting as an authorized
1093 representative. The articles of organization must also include
1094 or have attached a statement signed by the company's initial
1095 registered agent in the form described in s. 605.0113(2).

1096 (c) A record delivered on behalf of a dissolved company
1097 that has no member must be signed by the person winding up the
1098 company's activities and affairs under s. 605.0709(3) or a
1099 person appointed under s. 605.0709(4) or (5) to wind up the
1100 activities and affairs.

1101 (d) A statement of denial by a person under s. 605.0303
1102 must be signed by that person.

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1103 (e) A record changing the registered agent must also
1104 include or be accompanied by a statement signed by the successor
1105 registered agent in the form described in s. 605.0113(2).

1106 (f) Any other record delivered on behalf of a person to the
1107 department must be signed by that person.

1108 (2) A record may also be signed by an agent, legal
1109 representative, or attorney-in-fact, as applicable, if such
1110 person is duly appointed and authorized to sign the record and
1111 the record states that such person possesses that authority.

1112 (3) A person who signs a record as an agent, legal
1113 representative, or attorney-in-fact affirms as a fact that the
1114 person is authorized to sign the record.

1115 605.0204 Signing and filing pursuant to judicial order.—

1116 (1) If a person who is required under this chapter to sign
1117 a record or deliver a record to the department for filing under
1118 this chapter does not do so, another person who is aggrieved may
1119 petition the circuit court to order:

1120 (a) The person to sign the record;

1121 (b) The person to deliver the record to the department for
1122 filing; or

1123 (c) The department to file the record unsigned.

1124 (2) If a petitioner under subsection (1) is not the limited
1125 liability company or foreign limited liability company to which
1126 the record pertains, the petitioner shall make the limited
1127 liability company or foreign limited liability company a party
1128 to the action. The petitioner may seek the remedies provided in
1129 subsection (1) in the same action, in combination or in the
1130 alternative.

1131 (3) A record filed pursuant to paragraph (1)(c) is

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1132 effective without being signed.

1133 605.0205 Liability for inaccurate information in filed
1134 record.—

1135 (1) If a record delivered to the department for filing
1136 under this chapter and filed by the department contains
1137 inaccurate information, a person who suffers a loss by reliance
1138 on such information may recover damages for the loss from:

1139 (a) A person who signed the record, or caused another to
1140 sign it on the person's behalf, and knew the information was
1141 inaccurate at the time the record was signed; and

1142 (b) Subject to subsection (2), a member of a member-managed
1143 limited liability company or a manager of a manager-managed
1144 limited liability company if:

1145 1. The record was delivered for filing on behalf of the
1146 company; and

1147 2. The member or manager had notice of the inaccuracy for a
1148 reasonably sufficient time before the information was relied
1149 upon so that, before the reliance, the member or manager
1150 reasonably could have:

1151 a. Effected an amendment pursuant to s. 605.0202;
1152 b. Filed a petition pursuant to s. 605.0204; or
1153 c. Delivered to the department for filing a statement of
1154 change pursuant to s. 605.0114 or a statement of correction
1155 under s. 605.0209.

1156 (2) To the extent that the operating agreement of a member-
1157 managed limited liability company expressly relieves a member of
1158 responsibility for maintaining the accuracy of information
1159 contained in records delivered on behalf of the company to the
1160 department for filing and imposes that responsibility on one or

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more other members, the liability stated in paragraph (1)(b) applies to those other members and not to the member that the operating agreement relieves of the responsibility.

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

605.0206 Filing requirements.—

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

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

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

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

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chapter. The department may also use electronic transmissions for the purposes of notice and communication in the performance of its duties and may require filers and registrants to furnish e-mail addresses when presenting a document for filing.

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

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

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

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

(a) The specified date; or

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

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

(a) The specified date; or

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

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1219 (5) If the record is the initial articles of organization
1220 and specifies an effective time and a delayed effective date, at
1221 the specified time on the earlier of:

1222 (a) The specified date; or

1223 (b) The 90th day after the record is filed.

1224 (6) If the record specifies an effective time and a prior
1225 effective date, at the specified time on the later of:

1226 (a) The specified date; or

1227 (b) The 5th business day before the record is filed.

1228 605.0208 Withdrawal of filed record before effectiveness.—

1229 (1) Except as otherwise provided in ss. 605.1001-605.1072,
1230 a record delivered to the department for filing may be withdrawn
1231 before it takes effect by delivering to the department for
1232 filing a withdrawal statement.

1233 (2) A withdrawal statement must:

1234 (a) Be signed by each person who signed the record being
1235 withdrawn, except as otherwise agreed by those persons;
1236 (b) Identify the record to be withdrawn; and
1237 (c) If not signed by all the persons who signed the record
1238 being withdrawn, state that the record is withdrawn in
1239 accordance with the agreement of all the persons who signed the
1240 record.

1241 (3) On the filing by the department of a withdrawal
1242 statement, the action or transaction evidenced by the original
1243 record does not take effect.

1244 605.0209 Correcting filed record.—

1245 (1) A person on whose behalf a filed record was delivered
1246 to the department for filing may correct the record if:

1247 (a) The record at the time of filing was inaccurate;

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1248 (b) The record was defectively signed; or
1249 (c) The electronic transmission of the record to the
1250 department was defective.
1251 (2) To correct a filed record, a person on whose behalf the
1252 record was delivered to the department must deliver to the
1253 department for filing a statement of correction.
1254 (3) A statement of correction:
1255 (a) May not state a delayed effective date;
1256 (b) Must be signed by the person correcting the filed
1257 record;
1258 (c) Must identify the filed record to be corrected;
1259 (d) Must specify the inaccuracy or defect to be corrected;
1260 and
1261 (e) Must correct the inaccuracy or defect.
1262 (4) A statement of correction is effective as of the
1263 effective date of the filed record that it corrects, except for
1264 purposes of s. 605.0103(4) and as to persons relying on the
1265 uncorrected filed record and adversely affected by the
1266 correction. For those purposes and as to those persons, the
1267 statement of correction is effective when filed.
1268 605.0210 Duty of department to file; review of refusal to
1269 file; transmission of information by department.—
1270 (1) The department files a document by stamping or
1271 otherwise endorsing the document as "filed," together with the
1272 department's official title and the date and time of receipt.
1273 (2) After filing a record, the department shall deliver an
1274 acknowledgment of the filing or certified copy of the document
1275 to the company or foreign limited liability company or its
1276 authorized representative.

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1277 (3) If the department refuses to file a record, the
1278 department shall, within 15 days after the record is delivered:

1279 (a) Return the record or notify the person who submitted
1280 the record of the refusal; and

1281 (b) Provide a brief explanation in a record of the reason
1282 for the refusal.

1283 (4) If the applicant returns the document with corrections
1284 in accordance with the rules of the department within 60 days
1285 after it was mailed to the applicant by the department and, if
1286 at the time of return, the applicant so requests in writing, the
1287 filing date of the document shall be the filing date that would
1288 have been applied had the original document not been deficient,
1289 except as to persons who relied on the record before correction
1290 and were adversely affected thereby.

1291 (5) The department's duty to file documents under this
1292 section is ministerial. Filing or refusing to file a document
1293 does not:

1294 (a) Affect the validity or invalidity of the document in
1295 whole or part;

1296 (b) Relate to the correctness or incorrectness of
1297 information contained in the document; or

1298 (c) Create a presumption that the document is valid or
1299 invalid or that information contained in the document is correct
1300 or incorrect.

1301 (6) If not otherwise provided by law and this chapter, the
1302 department shall determine by rule the appropriate format for
1303 any document placed under its jurisdiction, and the number of
1304 copies, manner of execution, method of electronic transmission,
1305 and amount and method of payment of fees for such document.

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1306 (7) If the department refuses to file a record, the person
1307 who submitted the record may petition the circuit court to
1308 compel filing of the record. The record and the explanation of
1309 the department of the refusal to file must be attached to the
1310 petition. The court may decide the matter in a summary
1311 proceeding.

1312 (8) Except as otherwise provided under s. 605.0117 or by
1313 any law other than this chapter, the department may deliver a
1314 record to a person by delivering it:

1315 (a) In person to the person who submitted it;
1316 (b) To the address of the person's registered agent;
1317 (c) To the principal office of the person; or
1318 (d) To another address that the person provides to the
1319 department for delivery.

1320 605.0211 Certificate of status.—

1321 (1) The department, upon request and payment of the
1322 requisite fee, shall issue a certificate of status for a limited
1323 liability company if the records filed in the department show
1324 that the department has accepted and filed the company's
1325 articles of organization. A certificate of status must state the
1326 following:

1327 (a) The company's name.
1328 (b) That the company was organized under the laws of this
1329 state and the date of organization.
1330 (c) Whether all fees due to the department under this
1331 chapter have been paid.
1332 (d) If the company's most recent annual report required
1333 under s. 605.0212 has not been filed by the department.
1334 (e) If the department has administratively dissolved the

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1335 company or received a record notifying the department that the
1336 company has been dissolved by judicial action pursuant to s.
1337 605.0705.

1338 (f) If the department has filed articles of dissolution for
1339 the company.

1340 (g) If the department has accepted and filed a statement of
1341 termination.

1342 (2) The department, upon request and payment of the
1343 requisite fee, shall furnish a certificate of status for a
1344 foreign limited liability company if the records filed show that
1345 the department has filed a certificate of authority. A
1346 certificate of status for a foreign limited liability company
1347 must state the following:

1348 (a) The foreign limited liability company's name and a
1349 current alternate name adopted under s. 605.0906(1) for use in
1350 this state.

1351 (b) That the foreign limited liability company is
1352 authorized to transact business in this state.

1353 (c) Whether all fees and penalties due to the department
1354 under this chapter or other law have been paid.

1355 (d) If the foreign limited liability company's most recent
1356 annual report required under s. 605.0212 has not been filed by
1357 the department.

1358 (e) If the department has:

1359 1. Revoked the foreign limited liability company's
1360 certificate of authority; or

1361 2. Filed a notice of withdrawal of certificate of
1362 authority.

1363 (3) Subject to any qualification stated in the certificate

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1364 of status, a certificate of status issued by the department is
1365 conclusive evidence that the limited liability company is in
1366 existence or the foreign limited liability company is authorized
1367 to transact business in this state.

1368 605.0212 Annual report for department.—

1369 (1) A limited liability company or a registered foreign
1370 limited liability company shall deliver to the department for
1371 filing an annual report that states the following:

1372 (a) The name of the limited liability company or, if a
1373 foreign limited liability company, the name under which the
1374 foreign limited liability company is registered to transact
1375 business in this state.

1376 (b) The street address of its principal office and its
1377 mailing address.

1378 (c) The date of its organization and, if a foreign limited
1379 liability company, the jurisdiction of its formation and the
1380 date on which it became qualified to transact business in this
1381 state.

1382 (d) The company's federal employer identification number
1383 or, if none, whether one has been applied for.

1384 (e) The name, title or capacity, and address of at least
1385 one person who has the authority to manage the company.

1386 (f) Any additional information that is necessary or
1387 appropriate to enable the department to carry out this chapter.

1388 (2) Information in the annual report must be current as of
1389 the date the report is delivered to the department for filing.

1390 (3) The first annual report must be delivered to the
1391 department between January 1 and May 1 of the year following the
1392 calendar year in which the limited liability company's articles

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1393 of organization became effective or the foreign limited
1394 liability company obtained a certificate of authority to
1395 transact business in this state. Subsequent annual reports must
1396 be delivered to the department between January 1 and May 1 of
1397 each calendar year thereafter. If one or more forms of annual
1398 report are submitted for a calendar year, the department shall
1399 file each of them and make the information contained in them
1400 part of the official record. The first form of annual report
1401 filed in a calendar year shall be considered the annual report
1402 for that calendar year, and each report filed after that one in
1403 the same calendar year shall be treated as an amended report for
1404 that calendar year.

1405 (4) If an annual report does not contain the information
1406 required in this section, the department shall promptly notify
1407 the reporting limited liability company or registered foreign
1408 limited liability company. If the report is corrected to contain
1409 the information required in subsection (1) and delivered to the
1410 department within 30 days after the effective date of the
1411 notice, it is timely delivered.

1412 (5) If an annual report contains the name or address of a
1413 registered agent which differs from the information shown in the
1414 records of the department immediately before the annual report
1415 becomes effective, the differing information in the annual
1416 report is considered a statement of change under s. 605.0114.

1417 (6) A limited liability company or foreign limited
1418 liability company that fails to file an annual report that
1419 complies with the requirements of this section may not maintain
1420 or defend any action in a court of this state until the report
1421 is filed and all fees and penalties due under this chapter are

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paid, and shall be subject to dissolution or cancellation of its certificate of authority to transact business as provided in this chapter.

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

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

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

(10) As a condition of a conversion of a limited liability company to another type of entity under s. 605.1041, the limited liability company converting to the other type of entity must be active and current in filing its annual reports in the records

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1451 of the department through December 31 of the calendar year in
1452 which the articles of conversion are submitted to the department
1453 for filing.

1454 (11) As a condition of an interest exchange between a
1455 limited liability company and another entity under s. 605.1031,
1456 the limited liability company and each other entity that is a
1457 party to the interest exchange which exists under the laws of
1458 this state, and each party to the interest exchange which exists
1459 under the laws of another jurisdiction and has a certificate of
1460 authority to transact business or conduct its affairs in this
1461 state, must be active and current in filing its annual reports
1462 in the records of the department through December 31 of the
1463 calendar year in which the articles of interest exchange are
1464 submitted to the department for filing.

1465 605.0213 Fees of the department.—The fees of the department
1466 under this chapter are as follows:

1467 (1) For furnishing a certified copy, \$30.

1468 (2) For filing original articles of organization or
1469 articles of revocation of dissolution, \$100.

1470 (3) For filing a foreign limited liability company's
1471 application for a certificate of authority to transact business,
1472 \$100.

1473 (4) For filing a certificate of merger of limited liability
1474 companies or other business entities, \$25 per constituent party
1475 to the merger, unless a specific fee is required for a party
1476 under other applicable law.

1477 (5) For filing an annual report, \$50.

1478 (6) For filing an application for reinstatement after an
1479 administrative or judicial dissolution or a revocation of

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1480 authority to transact business, \$100.

1481 (7) For filing a certificate designating a registered agent
1482 or changing a registered agent, \$25.

1483 (8) For filing a registered agent's statement of
1484 resignation from an active limited liability company, \$85.

1485 (9) For filing a registered agent's statement of
1486 resignation from a dissolved limited liability company, \$25.

1487 (10) For filing a certificate of conversion of a limited
1488 liability company, \$25.

1489 (11) For filing any other limited liability company
1490 document, \$25.

1491 (12) For furnishing a certificate of status, \$5.

1492 605.0214 Powers of department.—The department has the
1493 authority reasonably necessary to administer this chapter
1494 efficiently, to perform the duties imposed upon it, and to adopt
1495 reasonable rules necessary to carry out its duties and functions
1496 under this chapter.

1497 605.0215 Certificates to be received in evidence and
1498 evidentiary effect of copy of filed document.—All certificates
1499 issued by the department in accordance with this chapter shall
1500 be taken and received in all courts, public offices, and
1501 official bodies as *prima facie* evidence of the facts stated. A
1502 certificate from the department delivered with a copy of a
1503 document filed by the department is conclusive evidence that the
1504 original document is on file with the department.

1505 605.0216 Statement of dissociation or resignation.—

1506 (1) A member of a limited liability company may file a
1507 statement of dissociation with the department containing the
1508 following:

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1509 (a) The name of the limited liability company.
1510 (b) The name and signature of the dissociating member.
1511 (c) The date the member withdrew or will withdraw.
1512 (d) A statement that the company has been notified of the
1513 dissociation in writing.

1514 (2) A manager in a manager-managed limited liability
1515 company may file a statement of resignation with the department
1516 containing the following:

1517 (a) The name of the limited liability company.
1518 (b) The name and signature of the resigning manager.
1519 (c) The date the resigning manager resigned or will resign.
1520 (d) A statement that the limited liability company has been
1521 notified of the resignation in writing.

1522 605.0301 Power to bind limited liability company.—A person
1523 does not have the power to bind a limited liability company,
1524 except to the extent the person:

1525 (1) Is an agent of the company by virtue of s. 605.04074;
1526 (2) Has the authority to do so under the articles of
1527 organization or operating agreement of the company;
1528 (3) Has the authority to do so by a statement of authority
1529 filed under s. 605.0302; or
1530 (4) Has the status of an agent of the company or the
1531 authority or power to bind the company under a law other than
1532 this chapter.

1533 605.0302 Statement of authority.—
1534 (1) A limited liability company may file a statement of
1535 authority. The statement:
1536 (a) Must include the name of the company as it appears on
1537 the records of the department, and the street and mailing

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1538 addresses of its principal office;

1539 (b) With respect to a specified status or position of a
1540 person in a company, whether as a member, transferee, manager,
1541 officer, or otherwise, may state the authority or limitations on
1542 the authority of all persons having such status or holding such
1543 position to:

1544 1. Execute an instrument transferring real property held in
1545 the name of the company; or

1546 2. Enter into other transactions on behalf of, or otherwise
1547 act for or bind, the company; and

1548 (c) May state the authority or limitations on the authority
1549 of a specific person to:

1550 1. Execute an instrument transferring real property held in
1551 the name of the company; or

1552 2. Enter into other transactions on behalf of, or otherwise
1553 act for or bind, the company.

1554 (2) To amend or cancel a statement of authority filed by
1555 the department, a limited liability company must deliver to the
1556 department for filing an amendment or cancellation stating the
1557 following:

1558 (a) The name of the company as it appears on the records of
1559 the department.

1560 (b) The street and mailing addresses of the limited
1561 liability company's principal office.

1562 (c) The date the statement being affected became effective.

1563 (d) The contents of the amendment or a declaration that the
1564 affected statement is canceled.

1565 (3) A statement of authority affects only the power of a
1566 person to bind a limited liability company to persons who are

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1567 not members.

1568 (4) Subject to subsection (3) and s. 605.0103(4) and except
1569 as otherwise provided in subsections (6)-(8), a limitation on
1570 the authority of a person or a status or position contained in
1571 an effective statement of authority is not by itself evidence of
1572 knowledge or notice of the limitation.

1573 (5) Subject to subsection (3) and ss. 605.0407-605.04074, a
1574 grant of authority not pertaining to transfers of real property
1575 and contained in an effective statement of authority is
1576 conclusive in favor of a person who gives value in reliance on
1577 the grant, except to the extent that when the person gives
1578 value:

1579 (a) The person has knowledge to the contrary;
1580 (b) The statement has been canceled or restrictively
1581 amended under subsection (2); or
1582 (c) A limitation on the grant is contained in another
1583 statement of authority that became effective after the statement
1584 containing the grant became effective.

1585 (6) Subject to subsection (3), an effective statement of
1586 authority that grants authority to transfer real property held
1587 in the name of the limited liability company, a certified copy
1588 of which statement is recorded in the office for recording
1589 transfers of the real property, is conclusive in favor of a
1590 person who gives value in reliance on the grant without
1591 knowledge to the contrary, except to the extent that when the
1592 person gives value:

1593 (a) The statement has been canceled or restrictively
1594 amended under subsection (2) and a certified copy of the
1595 cancellation or restrictive amendment has been recorded in the

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1596 office for recording transfers of the real property; or
1597 (b) A limitation on the grant is contained in another
1598 statement of authority that became effective after the statement
1599 containing the grant became effective and a certified copy of
1600 the later effective statement is recorded in the office for
1601 recording transfers of the real property.

1602 (7) Subject to subsection (3), if a certified copy of an
1603 effective statement of authority containing a limitation on the
1604 authority to transfer real property held in the name of a
1605 limited liability company is recorded in the office for
1606 recording transfers of that real property, all persons are
1607 deemed to know of the limitation.

1608 (8) Subject to subsection (9), effective articles of
1609 dissolution or termination effectuate a cancellation of a filed
1610 statement of authority for the purposes of subsection (6) and
1611 limit authority for the purposes of subsection (7).

1612 (9) After a company's articles of dissolution become
1613 effective, a limited liability company may deliver to the
1614 department for filing and, if appropriate, may record a
1615 statement of authority in accordance with subsection (1) which
1616 is designated as a post-dissolution statement of authority. The
1617 statement operates as provided in subsections (6) and (7).

1618 (10) Unless earlier canceled, an effective statement of
1619 authority is canceled by operation of law 5 years after the date
1620 on which the statement, or its most recent amendment, becomes
1621 effective. This cancellation operates without need for a
1622 recording under subsection (6) or subsection (7). An effective
1623 statement of denial operates as a restrictive amendment under
1624 this section and may be recorded by certified copy for the

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1625 purposes of paragraph (6)(a).

1626 (11) A statement of dissociation or a statement of
1627 resignation filed pursuant to s. 605.0216 terminates the
1628 authority of the person who filed the statement.

1629 605.0303 Statement of denial.—A person who is named in a
1630 filed statement of authority granting that person authority may
1631 deliver to the department for filing a statement of denial
1632 signed by that person which:

1633 (1) Provides the name of the limited liability company and
1634 the caption of the statement of authority to which the statement
1635 of denial pertains; and

1636 (2) Denies the grant of authority.

1637 605.0304 Liability of members and managers.—

1638 (1) A debt, obligation, or other liability of a limited
1639 liability company is solely the debt, obligation, or other
1640 liability of the company. A member or manager is not personally
1641 liable, directly or indirectly, by way of contribution or
1642 otherwise, for a debt, obligation, or other liability of the
1643 company solely by reason of being or acting as a member or
1644 manager. This subsection applies regardless of the dissolution
1645 of the company.

1646 (2) The failure of a limited liability company to observe
1647 formalities relating to the exercise of its powers or management
1648 of its activities and affairs is not a ground for imposing
1649 liability on a member or manager of the company for a debt,
1650 obligation, or other liability of the company.

1651 (3) The limitation of liability in this section is in
1652 addition to the limitations of liability provided for in s.
1653 605.04093.

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605.0401 Becoming a member.—

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

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

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

(a) As provided in the operating agreement;
(b) As the result of a merger, interest exchange conversion, or domestication under ss. 605.1001-605.1072, as applicable;

(c) With the consent of all the members; or
(d) As provided in s. 605.0701(3).

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

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

605.0403 Liability for contributions.—

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1683 (1) A promise by a person to contribute to the limited
1684 liability company is not enforceable unless it is set out in a
1685 writing signed by the person.

1686 (2) A person's obligation to make a contribution to a
1687 limited liability company is not excused by the person's death,
1688 disability, or other inability to perform personally.

1689 (3) If a person does not fulfill an obligation to make a
1690 contribution other than money, the person is obligated at the
1691 option of the limited liability company to contribute money
1692 equal to the value of the part of the contribution that has not
1693 been made. The foregoing option is in addition to and not in
1694 lieu of other rights, including the right to specific
1695 performance, that the limited liability company may have against
1696 the person under the articles of organization or operating
1697 agreement or applicable law.

1698 (4) The obligation of a person to make a contribution may
1699 be compromised only by consent of all members. If a creditor of
1700 a limited liability company extends credit or otherwise acts in
1701 reliance on an obligation described in subsection (1) without
1702 notice of a compromise under this subsection, the creditor may
1703 enforce the obligation.

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

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1712 of nondefaulting members, a forced sale of that limited
1713 liability company interest, forfeiture of the defaulting
1714 member's limited liability company interest, the lending by
1715 other members of the amount necessary to meet the defaulting
1716 member's commitment, a fixing of the value of the defaulting
1717 member's limited liability company interest by appraisal or by
1718 formula and redemption or sale of the defaulting member's
1719 limited liability company interest at such value, or other
1720 penalty or consequence.

1721 605.0404 Sharing of distributions before dissolution and
1722 profits and losses.—

1723 (1) Distributions made by a limited liability company
1724 before its dissolution and winding up must be shared by the
1725 members and persons dissociated as members on the basis of the
1726 agreed value, as stated in the company's records, of the
1727 contributions made by each of members and persons dissociated as
1728 members to the extent that the contributions have been received
1729 by the company, except to the extent necessary to comply with a
1730 transfer effective under s. 605.0502 or charging order in effect
1731 under s. 605.0503.

1732 (2) A person has a right to a distribution before the
1733 dissolution and winding up of a limited liability company only
1734 if the company decides to make an interim distribution. A
1735 person's dissociation does not entitle the person to a
1736 distribution.

1737 (3) A person does not have a right to demand or receive a
1738 distribution from a limited liability company in a form other
1739 than money. Except as otherwise provided in s. 605.0710(4), a
1740 limited liability company may distribute an asset in kind only

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1741 if each part of the asset is fungible with each other part and
1742 each person receives a percentage of the asset equal in value to
1743 the person's share of distributions.

1744 (4) If a member or transferee becomes entitled to receive a
1745 distribution, the member or transferee has the status of and is
1746 entitled to all remedies available to a creditor of the limited
1747 liability company with respect to the distribution.

1748 (5) Profits and losses of a limited liability company must
1749 be allocated among the members and persons dissociated as
1750 members on the basis of the agreed value, as stated in the
1751 company's records, of the contributions made by each of the
1752 members and persons dissociated as members to the extent that
1753 the contributions have been received by the company.

1754 605.0405 Limitations on distributions.—

1755 (1) A limited liability company may not make a
1756 distribution, including a distribution under s. 605.0710, if
1757 after the distribution:

1758 (a) The company would not be able to pay its debts as they
1759 become due in the ordinary course of the company's activities
1760 and affairs; or

1761 (b) The company's total assets would be less than the sum
1762 of its total liabilities, plus the amount that would be needed
1763 if the company were to be dissolved and wound up at the time of
1764 the distribution, to satisfy the preferential rights upon
1765 dissolution and winding up of members and transferees whose
1766 preferential rights are superior to those of persons receiving
1767 the distribution.

1768 (2) A limited liability company may base a determination
1769 that a distribution is not prohibited under subsection (1) on:

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1770 (a) Financial statements prepared on the basis of
1771 accounting practices and principles that are reasonable under
1772 the circumstances; or

1773 (b) A fair valuation or other method that is reasonable
1774 under the circumstances.

1775 (3) Except as otherwise provided in subsection (5), the
1776 effect of a distribution under subsection (1) is measured:

1777 (a) In the case of a distribution by purchase, redemption,
1778 or other acquisition of a transferable interest in the company,
1779 as of the earlier of the date on which:

1780 1. Money or other property is transferred or the debt is
1781 incurred by the company; and

1782 2. The person entitled to distribution ceases to own the
1783 interest or right being acquired by the company in return for
1784 the distribution.

1785 (b) In the case of a distribution of indebtedness, as of
1786 the date on which the indebtedness is distributed.

1787 (c) In all other cases, as of the date on which:

1788 1. The distribution is authorized if the payment occurs
1789 within 120 days after that date; or

1790 2. The payment is made if the payment occurs more than 120
1791 days after the distribution is authorized.

1792 (4) A limited liability company's indebtedness to a member
1793 or transferee incurred by reason of a distribution made in
1794 accordance with this section is at parity with the company's
1795 indebtedness to its general, unsecured creditors, except to the
1796 extent subordinated by agreement.

1797 (5) A limited liability company's indebtedness, including
1798 indebtedness issued as a distribution, is not a liability for

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1799 purposes of subsection (1) if the terms of the indebtedness
1800 provide that payment of principal and interest is made only if
1801 and to the extent that a distribution could then be made under
1802 this section. If the indebtedness is issued as a distribution,
1803 and by its terms provides that the payments of principal and
1804 interest are made only to the extent a distribution could be
1805 made under this section, then each payment of principal or
1806 interest of that indebtedness is treated as a distribution, the
1807 effect of which is measured on the date the payment is actually
1808 made.

1809 (6) In measuring the effect of a distribution under s.
1810 605.0710, the liabilities of a dissolved limited liability
1811 company do not include a claim that is disposed of under ss.
1812 605.0710-605.0713.

1813 605.0406 Liability for improper distributions.—
1814 (1) Except as otherwise provided in subsection (2), if a
1815 member of a member-managed limited liability company or manager
1816 of a manager-managed limited liability company consents to a
1817 distribution made in violation of s. 605.0405 and, in consenting
1818 to the distribution, fails to comply with s. 605.04091, the
1819 member or manager is personally liable to the company for the
1820 amount of the distribution which exceeds the amount that could
1821 have been distributed without the violation of s. 605.0405.

1822 (2) To the extent the operating agreement of a member-
1823 managed limited liability company expressly relieves a member of
1824 the authority and responsibility to consent to distributions and
1825 imposes that authority and responsibility on one or more other
1826 members, the liability in subsection (1) applies to the other
1827 members and not the member that the operating agreement relieves

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1828 of authority and responsibility.

1829 (3) A person who receives a distribution knowing that the
1830 distribution violated s. 605.0405 is personally liable to the
1831 limited liability company, but only to the extent that the
1832 distribution received by the person exceeded the amount that
1833 could have been properly paid under s. 605.0405.

1834 (4) A person against whom an action is commenced because
1835 that person is or may be liable under subsection (1) may:

1836 (a) Implead another person who is or may be liable under
1837 subsection (1) and seek to enforce a right of contribution from
1838 the person; or

1839 (b) Implead a person who received a distribution in
1840 violation of subsection (3) and seek to enforce a right of
1841 contribution from an impleaded person in the amount the person
1842 received in violation of subsection (3).

1843 (5) An action under this section is barred unless commenced
1844 within 2 years after the distribution.

1845 605.0407 Management of limited liability company.—

1846 (1) A limited liability company is a member-managed limited
1847 liability company unless the operating agreement or articles of
1848 organization:

1849 (a) Expressly provide that:

1850 1. The company is or will be manager-managed;
1851 2. The company is or will be managed by managers; or
1852 3. Management of the company is or will be vested in

1853 managers; or

1854 (b) Include words of similar import to those in
1855 subparagraphs (a)1.-3. except that, unless the context in which
1856 the expression is used otherwise requires, the terms "managing

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1857 member" and "managing members" do not, in and of themselves,
1858 constitute words of similar import for this purpose.

1859 (2) In a member-managed limited liability company, the
1860 management and conduct of the company are vested in the members,
1861 except as expressly provided in this chapter.

1862 (3) In a manager-managed limited liability company, a
1863 matter relating to the activities and affairs of the company is
1864 decided exclusively by the manager, or if there is more than one
1865 manager, by the managers, except as expressly provided in this
1866 chapter.

1867 (4) A member is not entitled to remuneration for services
1868 performed for a member-managed limited liability company, except
1869 for reasonable compensation for services rendered in winding up
1870 the activities and affairs of the company, in the absence of an
1871 agreement to the contrary.

1872 (5) A limited liability company shall reimburse a member
1873 for an advance to the company beyond the amount of capital the
1874 member agreed to contribute.

1875 (6) The dissolution of a limited liability company does not
1876 affect the applicability of ss. 605.0407-605.04074. However, a
1877 person who wrongfully causes dissolution of the company loses
1878 the right to participate in management as a member and a
1879 manager.

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

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1886 to agents, boards of managers, members, or directors, officers
1887 and assistant officers, and employees of a member or manager of
1888 the limited liability company, and the power and authority to
1889 delegate by a management agreement or similar agreement with, or
1890 otherwise to other persons. The delegation by a member or
1891 manager will not cause the member or manager to cease to be a
1892 member or manager, as the case may be, of the limited liability
1893 company.

1894 605.04072 Selection and terms of managers in a manager-
1895 managed limited liability company.-In a manager-managed limited
1896 liability company, the following rules apply:

1897 (1) A manager may be chosen at any time by the consent of
1898 the member or members holding more than 50 percent of the then-
1899 current percentage or other interest in the profits of the
1900 limited liability company owned by all of its members.

1901 (2) A person need not be a member to be a manager.

1902 (3) A person chosen as a manager continues as a manager
1903 until a successor is chosen, unless the manager at an earlier
1904 time resigns, is removed, or dies or, in the case of a manager
1905 that is not an individual, terminates.

1906 (4) A manager may be removed at any time without notice or
1907 cause by the consent of the member or members holding more than
1908 50 percent of the then-current percentage or other interest in
1909 the profits of the limited liability company owned by all of its
1910 members.

1911 (5) The dissociation of a member who is also a manager
1912 removes the person as a manager.

1913 (6) If a person who is both a manager and a member ceases
1914 to be a manager, that cessation does not, by itself, dissociate

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1915 the person as a member.

1916 (7) A person's ceasing to be a manager does not discharge a
1917 debt, obligation, or other liability to the limited liability
1918 company or members which the person incurred while a manager.

1919 605.04073 Voting rights of members and managers.—

1920 (1) In a member-managed limited liability company, the
1921 following rules apply:

1922 (a) Each member has the right to vote with respect to the
1923 management and conduct of the company's activities and affairs.

1924 (b) Each member's vote is proportionate to that member's
1925 then-current percentage or other interest in the profits of the
1926 limited liability company owned by all members.

1927 (c) Except as otherwise provided in this chapter, the
1928 affirmative vote or consent of a majority-in-interest of the
1929 members is required to undertake an act, whether within or
1930 outside the ordinary course of the company's activities and
1931 affairs, including a transaction under ss. 605.1001-605.1072.

1932 (d) The operating agreement and articles of organization
1933 may be amended only with the affirmative vote or consent of all
1934 members.

1935 (2) In a manager-managed limited liability company, the
1936 following rules apply:

1937 (a) Each manager has equal rights in the management and
1938 conduct of the company's activities and affairs.

1939 (b) Except as expressly provided in this chapter, a matter
1940 relating to the activities and affairs of the company shall be
1941 decided by the manager; if there is more than one manager, by
1942 the affirmative vote or consent of a majority of the managers;
1943 or if the action is taken without a meeting, by the managers'

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1944 unanimous consent in a record.

1945 (c) Each member's vote is proportionate to that member's
1946 then-current percentage or other interest in the profits of the
1947 limited liability company owned by all members.

1948 (d) Except as otherwise provided in this chapter, the
1949 affirmative vote or consent of a majority-in-interest of the
1950 members is required to undertake an act outside the ordinary
1951 course of the company's activities and affairs, including a
1952 transaction under ss. 605.1001-605.1072.

1953 (e) The operating agreement and articles of organization
1954 may be amended only with the affirmative vote or consent of all
1955 members.

1956 (3) If a member has transferred all or a portion of the
1957 member's transferable interest in the limited liability company
1958 to a person who is not admitted as a member and if the
1959 transferring member has not been dissociated in accordance with
1960 s. 605.0602(5)(b), the transferring member continues to be
1961 entitled to vote on an action reserved to the members, with the
1962 vote of the transferring member being proportionate to the then-
1963 current percentage or other interest in the profits of the
1964 limited liability company owned by all members that the
1965 transferring member would have if the transfer had not occurred.

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

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1973 who were not entitled to vote on the action within 10 days after
1974 the action was taken.

1975 (5) An action requiring the vote or consent of managers
1976 under this chapter may be taken without a meeting if the action
1977 is unanimously approved by the managers in a record. A manager
1978 may appoint a proxy or other agent to vote or consent for the
1979 manager by signing an appointing record, personally or by the
1980 manager's agent.

1981 (6) Meetings of members and meetings of managers may be
1982 held by a conference telephone call or other communications
1983 equipment if all persons participating in the meeting can hear
1984 each other. Participation in a meeting pursuant to this
1985 subsection constitutes presence in person at the meeting.

1986 605.04074 Agency rights of members and managers.—

1987 (1) In a member-managed limited liability company, the
1988 following rules apply:

1989 (a) Except as provided in subsection (3), each member is an
1990 agent of the limited liability company for the purpose of its
1991 activities and affairs. An act of a member, including signing an
1992 agreement or instrument of transfer in the name of the company
1993 for apparently carrying on in the ordinary course of the
1994 company's activities and affairs or activities and affairs of
1995 the kind carried on by the company, binds the company unless the
1996 member had no authority to act for the company in the particular
1997 matter and the person with whom the member was dealing knew or
1998 had notice that the member lacked authority.

1999 (b) An act of a member which is not done for apparently
2000 carrying on in the ordinary course of the limited liability
2001 company's activities and affairs or activities and affairs of

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

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

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

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

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

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

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

605.0408 Reimbursement, indemnification, advancement, and insurance.-

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

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

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

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

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2060 manager in that capacity or arising from that status even if:
2061 (a) Under s. 605.0105(3)(g) the operating agreement could
2062 not eliminate or limit the person's liability to the company for
2063 the conduct giving rise to the liability; and
2064 (b) Under s. 605.0105(3)(p) the operating agreement could
2065 not provide for indemnification for the conduct giving rise to
2066 the liability.

2067 605.04091 Standards of conduct for members and managers.—
2068 (1) Each manager of a manager-managed limited liability
2069 company and member of a member-managed limited liability company
2070 owes fiduciary duties of loyalty and care to the limited
2071 liability company and members of the limited liability company.

2072 (2) The duty of loyalty is limited to:
2073 (a) Accounting to the limited liability company and holding
2074 as trustee for it any property, profit, or benefit derived by
2075 the manager or member, as applicable:
2076 1. In the conduct or winding up of the company's activities
2077 and affairs;
2078 2. From the use by the member or manager of the company's
2079 property; or
2080 3. From the appropriation of a company opportunity;
2081 (b) Refraining from dealing with the company in the conduct
2082 or winding up of the company's activities and affairs as, or on
2083 behalf of, a person having an interest adverse to the company,
2084 except to the extent that a transaction satisfies the
2085 requirements of this section; and
2086 (c) Refraining from competing with the company in the
2087 conduct of the company's activities and affairs before the
2088 dissolution of the company.

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2089 (3) The duty of care in the conduct or winding up of the
2090 company's activities and affairs is limited to refraining from
2091 engaging in grossly negligent or reckless conduct, willful or
2092 intentional misconduct, or a knowing violation of law.

2093 (4) A manager of a manager-managed limited liability
2094 company and a member of a member-managed limited liability
2095 company shall discharge their duties and obligations under this
2096 chapter or under the operating agreement and exercise any rights
2097 consistently with the obligation of good faith and fair dealing.

2098 (5) A manager of a manager-managed limited liability
2099 company or a member of a member-managed limited liability
2100 company does not violate a duty or obligation under this chapter
2101 or under the operating agreement solely because the manager's or
2102 member's conduct furthers the manager's or member's own
2103 interest.

2104 (6) In discharging his, her, or its duties, a manager of a
2105 manager-managed limited liability company or a member of a
2106 member-managed limited liability company is entitled to rely on
2107 information, opinions, reports, or statements, including
2108 financial statements and other financial data, if prepared or
2109 presented by any of the following:

2110 (a) One or more members or employees of the limited
2111 liability company whom the manager or member reasonably believes
2112 to be reliable and competent in the matters presented.

2113 (b) Legal counsel, public accountants, or other persons as
2114 to matters the manager or member reasonably believes are within
2115 the persons' professional or expert competence.

2116 (c) A committee of managers or members of which the
2117 affected manager or member is not a participant, if the manager

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2118 or member reasonably believes the committee merits confidence.

2119 (7) A manager or member, as applicable, is not acting in
2120 good faith if the manager or member has knowledge concerning the
2121 matter in question which makes reliance otherwise authorized
2122 under subsection (6) unwarranted.

2123 (8) In discharging his, her, or its duties, a manager of a
2124 manager-managed limited liability company or member of a member-
2125 managed limited liability company may consider factors that the
2126 manager or member deems relevant, including the long-term
2127 prospects and interests of the limited liability company and its
2128 members, and the social, economic, legal, or other effects of
2129 any action on the employees, suppliers, and customers of the
2130 limited liability company, the communities and society in which
2131 the limited liability company operates, and the economy of this
2132 state and the nation.

2133 (9) This section applies to a person winding up the limited
2134 liability company activities and affairs as the legal
2135 representative of the last surviving member as if such person
2136 were subject to this section.

2137 605.04092 Conflict of interest transactions.—

2138 (1) As used in this section, the following terms and
2139 definitions apply:

2140 (a) A member or manager is "indirectly" a party to a
2141 transaction if that member or manager has a material financial
2142 interest in or is a director, officer, member, manager, or
2143 partner of a person, other than the limited liability company,
2144 who is a party to the transaction.

2145 (b) A member or manager has an "indirect material financial
2146 interest" if a spouse or other family member has a material

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2147 financial interest in the transaction, other than having an
2148 indirect interest as a member or manager of the limited
2149 liability company, or if the transaction is with an entity,
2150 other than the limited liability company, which has a material
2151 financial interest in the transaction and controls, or is
2152 controlled by, the member or manager or another person specified
2153 in this subsection.

2154 (c) "Fair to the limited liability company" means that the
2155 transaction, as a whole, is beneficial to the limited liability
2156 company and its members, taking into appropriate account whether
2157 it is:

2158 1. Fair in terms of the member's or manager's dealings with
2159 the limited liability company in connection with that
2160 transaction; and

2161 2. Comparable to what might have been obtainable in an
2162 arm's length transaction.

2163 (2) If the requirements of this section have been
2164 satisfied, a transaction between a limited liability company and
2165 one or more of its members or managers, or another entity in
2166 which one or more of the limited liability company's members or
2167 managers have a financial or other interest, is not void or
2168 voidable because of that relationship or interest; because the
2169 members or managers are present at the meeting of the members or
2170 managers at which the transaction was authorized, approved,
2171 effectuated, or ratified; or because the votes of the members or
2172 managers are counted for such purpose.

2173 (3) If a transaction is fair to the limited liability
2174 company at the time it is authorized, approved, effectuated, or
2175 ratified, the fact that a member or manager of the limited

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

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

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

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

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2205 constitute less than a quorum; however, the transaction cannot
2206 be authorized, approved, or ratified under this subsection
2207 solely by a single member; or

2208 (b) If neither of the conditions provided in paragraph (a)
2209 has been satisfied, the person defending or asserting the
2210 validity of a transaction described in subsection (3) has the
2211 burden of proving its fairness in a proceeding challenging the
2212 validity of the transaction.

2213 (5) The presence of or a vote cast by a manager or member
2214 with an interest in the transaction does not affect the validity
2215 of an action taken under paragraph (4)(a) if the transaction is
2216 otherwise authorized, approved, or ratified as provided in that
2217 subsection, but the presence or vote of the manager or member
2218 may be counted for purposes of determining whether the
2219 transaction is approved under other sections of this chapter.

2220 (6) In addition to other grounds for challenge, a party
2221 challenging the validity of the transaction is not precluded
2222 from asserting and proving that a particular member or manager
2223 was not disinterested on grounds of financial or other interest
2224 for purposes of the vote on, consent to, or approval of the
2225 transaction.

2226 605.04093 Limitation of liability of managers and members.—

2227 (1) A manager in a manager-managed limited liability
2228 company or a member in a member-managed limited liability
2229 company is not personally liable for monetary damages to the
2230 limited liability company, its members, or any other person for
2231 any statement, vote, decision, or failure to act regarding
2232 management or policy decisions by a manager in a manager-managed
2233 limited liability company or a member in a member-managed

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2234 limited liability company unless:

2235 (a) The manager or member breached or failed to perform the
2236 duties as a manager in a manager-managed limited liability
2237 company or a member in a member-managed limited liability
2238 company; and

2239 (b) The manager's or member's breach of, or failure to
2240 perform, those duties constitutes any of the following:

2241 1. A violation of the criminal law unless the manager or
2242 member had a reasonable cause to believe his, her, or its
2243 conduct was lawful or had no reasonable cause to believe such
2244 conduct was unlawful. A judgment or other final adjudication
2245 against a manager or member in any criminal proceeding for a
2246 violation of the criminal law estops that manager or member from
2247 contesting the fact that such breach, or failure to perform,
2248 constitutes a violation of the criminal law, but does not estop
2249 the manager or member from establishing that he, she, or it had
2250 reasonable cause to believe that his, her, or its conduct was
2251 lawful or had no reasonable cause to believe that such conduct
2252 was unlawful.

2253 2. A transaction from which the manager or member derived
2254 an improper personal benefit, directly or indirectly.

2255 3. A distribution in violation of s. 605.0406.

2256 4. In a proceeding by or in the right of the limited
2257 liability company to procure a judgment in its favor or by or in
2258 the right of a member, conscious disregard of the best interest
2259 of the limited liability company, or willful misconduct.

2260 5. In a proceeding by or in the right of someone other than
2261 the limited liability company or a member, recklessness or an
2262 act or omission that was committed in bad faith or with

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2263 malicious purpose or in a manner exhibiting wanton and willful
2264 disregard of human rights, safety, or property.

2265 (2) As used in this section, the term "recklessness" means
2266 acting or failing to act in conscious disregard of a risk known,
2267 or a risk so obvious that it should have been known, to the
2268 manager in a manager-managed limited liability company or the
2269 member in a member-managed limited liability company, and known
2270 to the manager or member, or so obvious that it should have been
2271 known, to be so great as to make it highly probable that harm
2272 would follow from such action or failure to act.

2273 (3) A manager in a manager-managed limited liability
2274 company or a member in a member-managed limited liability
2275 company is deemed not to have derived an improper personal
2276 benefit from any transaction if the transaction has been
2277 approved in the manner as is provided in s. 605.04092 or is fair
2278 to the limited liability company as defined in s.
2279 605.04092(1)(c).

2280 (4) The circumstances set forth in subsection (3) are not
2281 exclusive and do not preclude the existence of other
2282 circumstances under which a manager in a manager-managed limited
2283 liability company or a member in a member-managed limited
2284 liability company will be deemed not to have derived an improper
2285 benefit.

2286 605.0410 Records to be kept; rights of member, manager, and
2287 person dissociated to information.—

2288 (1) A limited liability company shall keep at its principal
2289 office or another location the following records:

2290 (a) A current list of the full names and last known
2291 business, residence, or mailing addresses of each member and

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2292 manager.

2293 (b) A copy of the then-effective operating agreement, if
2294 made in a record, and all amendments thereto if made in a
2295 record.

2296 (c) A copy of the articles of organization, articles of
2297 merger, articles of interest exchange, articles of conversion,
2298 and articles of domestication, and other documents and all
2299 amendments thereto, concerning the limited liability company
2300 which were filed with the department, together with executed
2301 copies of any powers of attorney pursuant to which any articles
2302 of organization or such other documents were executed.

2303 (d) Copies of the limited liability company's federal,
2304 state, and local income tax returns and reports, if any, for the
2305 3 most recent years.

2306 (e) Copies of the financial statements of the limited
2307 liability company, if any, for the 3 most recent years.

2308 (f) Unless contained in an operating agreement made in a
2309 record, a record stating the amount of cash and a description
2310 and statement of the agreed value of the property or other
2311 benefits contributed and agreed to be contributed by each
2312 member, and the times at which or occurrence of events upon
2313 which additional contributions agreed to be made by each member
2314 are to be made.

2315 (2) In a member-managed limited liability company, the
2316 following rules apply:

2317 (a) Upon reasonable notice, a member may inspect and copy
2318 during regular business hours, at a reasonable location
2319 specified by the company:

2320 1. The records described in subsection (1); and

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2321 2. Each other record maintained by the company regarding
2322 the company's activities, affairs, financial condition, and
2323 other circumstances, to the extent the information is material
2324 to the member's rights and duties under the operating agreement
2325 or this chapter.

2326 (b) The company shall furnish to each member:

2327 1. Without demand, any information concerning the company's
2328 activities, affairs, financial condition, and other
2329 circumstances that the company knows and are material to the
2330 proper exercise of the member's rights and duties under the
2331 operating agreement or this chapter, except to the extent the
2332 company can establish that it reasonably believes the member
2333 already knows the information; and

2334 2. On demand, other information concerning the company's
2335 activities, affairs, financial condition, and other
2336 circumstances, except to the extent the demand or information
2337 demanded is unreasonable or otherwise improper under the
2338 circumstances.

2339 (c) The duty to furnish information under this subsection
2340 also applies to each member to the extent the member knows any
2341 of the information described in this subsection.

2342 (3) In a manager-managed limited liability company, the
2343 following rules apply:

2344 (a) The informational rights stated in subsection (2) and
2345 the duty stated in paragraph (2) (c) apply to the managers and
2346 not to the members.

2347 (b) During regular business hours and at a reasonable
2348 location specified by the company, a member may inspect and
2349 copy:

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2350 1. The records described in subsection (1); and
2351 2. Full information regarding the activities, affairs,
2352 financial condition, and other circumstances of the company as
2353 is just and reasonable if:
2354 a. The member seeks the information for a purpose
2355 reasonably related to the member's interest as a member; or
2356 b. The member makes a demand in a record received by the
2357 company, describing with reasonable particularity the
2358 information sought and the purpose for seeking the information,
2359 and if the information sought is directly connected to the
2360 member's purpose.
2361 (c) Within 10 days after receiving a demand pursuant to
2362 subparagraph (2)(b)2., the company shall, in a record, inform
2363 the member who made the demand of:
2364 1. The information that the company will provide in
2365 response to the demand and when and where the company will
2366 provide the information; and
2367 2. The company's reasons for declining, if the company
2368 declines to provide any demanded information.
2369 (d) If this chapter or an operating agreement provides for
2370 a member to give or withhold consent to a matter, before the
2371 consent is given or withheld, the company shall, without demand,
2372 provide the member with all information that is known to the
2373 company and is material to the member's decision.
2374 (4) Subject to subsection (9), on 10 days' demand made in a
2375 record received by a limited liability company, a person
2376 dissociated as a member may have access to information to which
2377 the person was entitled while a member if:
2378 (a) The information pertains to the period during which the

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2379 person was a member;

2380 (b) The person seeks the information in good faith; and

2381 (c) The person satisfies the requirements imposed on a

2382 member by paragraph (3)(b).

2383 (5) A limited liability company shall respond to a demand
2384 made pursuant to subsection (4) in the manner provided in
2385 paragraph (3)(c).

2386 (6) A limited liability company may charge a person who
2387 makes a demand under this section the reasonable costs of
2388 copying, which costs are limited to the costs of labor and
2389 materials.

2390 (7) A member or person dissociated as a member may exercise
2391 rights under this section through an agent or, in the case of an
2392 individual under legal disability or an entity that is dissolved
2393 or its existence terminated, through a legal representative. A
2394 restriction or condition imposed by the operating agreement or
2395 under subsection (10) applies both to the agent or legal
2396 representative and the member or person dissociated as a member.

2397 (8) Subject to subsection (9), the rights under this
2398 section do not extend to a person as transferee.

2399 (9) If a member dies, s. 605.0504 applies.

2400 (10) In addition to a restriction or condition stated in
2401 the operating agreement, a limited liability company, as a
2402 matter within the ordinary course of its activities and affairs,
2403 may impose reasonable restrictions and conditions on access to
2404 and use of information to be furnished under this section,
2405 including designating information confidential and imposing
2406 nondisclosure and safeguarding obligations on the recipient. In
2407 a dispute concerning the reasonableness of a restriction under

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2408 this subsection, the company has the burden of proving
2409 reasonableness. This subsection does not apply to the request by
2410 a member for the records described in subsection (1).

2411 605.0411 Court-ordered inspection.-

2412 (1) If a limited liability company does not allow a member,
2413 manager, or other person who complies with s. 605.0410(2)(a),
2414 (3)(a), (3)(b), or (4), as applicable, to inspect and copy any
2415 records required by that section to be available for inspection,
2416 the circuit court in the county where the limited liability
2417 company's principal office is or was last located, as shown by
2418 the records of the department or, if there is no principal
2419 office in this state, where its registered office is or was last
2420 located, may summarily order inspection and copying of the
2421 records demanded, at the limited liability company's expense,
2422 upon application of the member, manager, or other person.

2423 (2) If the court orders inspection or copying of the
2424 records demanded, it shall also order the limited liability
2425 company to pay the costs, including reasonable attorney fees,
2426 reasonably incurred by the member, manager, or other person
2427 seeking the records to obtain the order and enforce its rights
2428 under this section unless the limited liability company proves
2429 that it refused inspection in good faith because the company had
2430 a reasonable basis for doubt about the right of the member,
2431 manager, or such other person to inspect or copy the records
2432 demanded.

2433 (3) If the court orders inspection or copying of the
2434 records demanded, it may impose reasonable restrictions on the
2435 use or distribution of the records by the member, manager, or
2436 other person demanding such records.

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2437 605.0501 Nature of transferable interest.—A transferable
2438 interest is personal property.

2439 605.0502 Transfer of transferable interest.—

2440 (1) Subject to s. 605.0503, a transfer, in whole or in
2441 part, of a transferable interest:

2442 (a) Is permissible;

2443 (b) Does not by itself cause a member's dissociation or a
2444 dissolution and winding up of the limited liability company's
2445 activities and affairs; and

2446 (c) Does not entitle the transferee to:

2447 1. Participate in the management or conduct of the
2448 company's activities and affairs; or

2449 2. Except as otherwise provided in subsection (3), have
2450 access to records or other information concerning the company's
2451 activities and affairs.

2452 (2) A transferee has the right to receive, in accordance
2453 with the transfer, distributions to which the transferor would
2454 otherwise be entitled.

2455 (3) In a dissolution and winding up of a limited liability
2456 company, a transferee is entitled to an account of the company's
2457 transactions only from the date of dissolution.

2458 (4) A transferable interest may be evidenced by a
2459 certificate of the interest issued by the limited liability
2460 company in a record, and, subject to this section, the interest
2461 represented by the certificate may be transferred by a transfer
2462 of the certificate.

2463 (5) A limited liability company need not give effect to a
2464 transferee's rights under this section until the company knows
2465 or has notice of the transfer.

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2466 (6) A transfer of a transferable interest in violation of a
2467 restriction on transfer contained in the operating agreement is
2468 ineffective as to a person who has knowledge or notice of the
2469 restriction at the time of transfer.

2470 (7) Except as otherwise provided in s. 605.0602(5)(b), if a
2471 member transfers a transferable interest, the transferor retains
2472 the rights of a member other than the transferable interest
2473 transferred and retains all the duties and obligations of a
2474 member.

2475 (8) If a member transfers a transferable interest to a
2476 person who becomes a member with respect to the transferred
2477 interest, the transferee is liable for the member's obligations
2478 under ss. 605.0403 and 605.0406(3) which are known to the
2479 transferee at the time the transferee becomes a member.

2480 605.0503 Charging order.—

2481 (1) On application to a court of competent jurisdiction by
2482 a judgment creditor of a member or a transferee, the court may
2483 enter a charging order against the transferable interest of the
2484 member or transferee for payment of the unsatisfied amount of
2485 the judgment with interest. Except as provided in subsection
2486 (5), a charging order constitutes a lien upon a judgment
2487 debtor's transferable interest and requires the limited
2488 liability company to pay over to the judgment creditor a
2489 distribution that would otherwise be paid to the judgment
2490 debtor.

2491 (2) This chapter does not deprive a member or transferee of
2492 the benefit of any exemption law applicable to the transferable
2493 interest of the member or transferee.

2494 (3) Except as provided in subsections (4) and (5), a

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2495 charging order is the sole and exclusive remedy by which a
2496 judgment creditor of a member or member's transferee may satisfy
2497 a judgment from the judgment debtor's interest in a limited
2498 liability company or rights to distributions from the limited
2499 liability company.

2500 (4) In the case of a limited liability company that has
2501 only one member, if a judgment creditor of a member or member's
2502 transferee establishes to the satisfaction of a court of
2503 competent jurisdiction that distributions under a charging order
2504 will not satisfy the judgment within a reasonable time, a
2505 charging order is not the sole and exclusive remedy by which the
2506 judgment creditor may satisfy the judgment against a judgment
2507 debtor who is the sole member of a limited liability company or
2508 the transferee of the sole member, and upon such showing, the
2509 court may order the sale of that interest in the limited
2510 liability company pursuant to a foreclosure sale. A judgment
2511 creditor may make a showing to the court that distributions
2512 under a charging order will not satisfy the judgment within a
2513 reasonable time at any time after the entry of the judgment and
2514 may do so at the same time that the judgment creditor applies
2515 for the entry of a charging order.

2516 (5) If a limited liability company has only one member and
2517 the court orders a foreclosure sale of a judgment debtor's
2518 interest in the limited liability company or of a charging order
2519 lien against the sole member of the limited liability company
2520 pursuant to subsection (4):

2521 (a) The purchaser at the court-ordered foreclosure sale
2522 obtains the member's entire limited liability company interest,
2523 not merely the rights of a transferee;

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2524 (b) The purchaser at the sale becomes the member of the
2525 limited liability company; and

2526 (c) The person whose limited liability company interest is
2527 sold pursuant to the foreclosure sale or is the subject of the
2528 foreclosed charging order ceases to be a member of the limited
2529 liability company.

2530 (6) In the case of a limited liability company that has
2531 more than one member, the remedy of foreclosure on a judgment
2532 debtor's interest in the limited liability company or against
2533 rights to distribution from the limited liability company is not
2534 available to a judgment creditor attempting to satisfy the
2535 judgment and may not be ordered by a court.

2536 (7) This section does not limit any of the following:

2537 (a) The rights of a creditor who has been granted a
2538 consensual security interest in a limited liability company
2539 interest to pursue the remedies available to the secured
2540 creditor under other law applicable to secured creditors.

2541 (b) The principles of law and equity which affect
2542 fraudulent transfers.

2543 (c) The availability of the equitable principles of alter
2544 ego, equitable lien, or constructive trust or other equitable
2545 principles not inconsistent with this section.

2546 (d) The continuing jurisdiction of the court to enforce its
2547 charging order in a manner consistent with this section.

2548 605.0504 Power of legal representative.—If a member who is
2549 an individual dies or a court of competent jurisdiction adjudges
2550 the member to be incompetent to manage the member's person or
2551 property, the member's legal representative may exercise all of
2552 the member's rights for the purpose of settling the member's

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2553 estate or administering the member's property, including any
2554 power the member had to give a transferee the right to become a
2555 member. If a member is a corporation, trust, or other entity and
2556 is dissolved or terminated, the powers of that member may be
2557 exercised by its legal representative.

2558 605.0601 Power to dissociate as member; wrongful
2559 dissociation.—

2560 (1) A person has the power to dissociate as a member at any
2561 time, rightfully or wrongfully, by withdrawing as a member by
2562 express will under s. 605.0602(1).

2563 (2) A person's dissociation as a member is wrongful only if
2564 the dissociation:

2565 (a) Is in breach of an express provision of the operating
2566 agreement; or

2567 (b) Occurs before completion of the winding up of the
2568 company, and:

2569 1. The person withdraws as a member by express will;
2570 2. The person is expelled as a member by judicial order
2571 under s. 605.0602(6);

2572 3. The person is dissociated under s. 605.0602(8); or
2573 4. In the case of a person that is not a trust other than a
2574 business trust, an estate, or an individual, the person is
2575 expelled or otherwise dissociated as a member because it
2576 willfully dissolved or terminated.

2577 (3) A person who wrongfully dissociates as a member is
2578 liable to the limited liability company and, subject to s.
2579 605.0801, to the other members for damages caused by the
2580 dissociation. The liability is in addition to each debt,
2581 obligation, or other liability of the member to the company or

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2582 the other members.

2583 (4) Notwithstanding anything to the contrary under
2584 applicable law, the articles of organization or operating
2585 agreement may provide that a limited liability company interest
2586 may not be assigned before the dissolution and winding up of the
2587 limited liability company.

2588 605.0602 Events causing dissociation.—A person is
2589 dissociated as a member if any of the following occur:

2590 (1) The company has notice of the person's express will to
2591 withdraw as a member, but if the person specified a withdrawal
2592 date later than the date the company had notice, on that later
2593 date.

2594 (2) An event stated in the operating agreement as causing
2595 the person's dissociation occurs.

2596 (3) The person's entire interest is transferred in a
2597 foreclosure sale under s. 605.0503(5).

2598 (4) The person is expelled as a member pursuant to the
2599 operating agreement.

2600 (5) The person is expelled as a member by the unanimous
2601 consent of the other members if any of the following occur:

2602 (a) It is unlawful to carry on the company's activities and
2603 affairs with the person as a member.

2604 (b) There has been a transfer of the person's entire
2605 transferable interest in the company other than:

2606 1. A transfer for security purposes; or

2607 2. A charging order in effect under s. 605.0503 which has
2608 not been foreclosed.

2609 (c) The person is a corporation and:

2610 1. The company notifies the person that it will be expelled

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2611 as a member because the person has filed articles or a
2612 certificate of dissolution or the equivalent, the person has
2613 been administratively dissolved, its charter or equivalent has
2614 been revoked, or the person's right to conduct business has been
2615 suspended by the person's jurisdiction of its formation; and

2616 2. Within 90 days after the notification, the articles or
2617 certificate of dissolution or the equivalent has not been
2618 revoked or its charter or right to conduct business has not been
2619 reinstated.

2620 (d) The person is an unincorporated entity that has been
2621 dissolved and whose business is being wound up.

2622 (6) On application by the company or a member in a direct
2623 action under s. 605.0801, the person is expelled as a member by
2624 judicial order because the person:

2625 (a) Has engaged or is engaging in wrongful conduct that has
2626 affected adversely and materially, or will affect adversely and
2627 materially, the company's activities and affairs;

2628 (b) Has committed willfully or persistently, or is
2629 committing willfully and persistently, a material breach of the
2630 operating agreement or a duty or obligation under s. 605.04091;
2631 or

2632 (c) Has engaged or is engaging in conduct relating to the
2633 company's activities and affairs which makes it not reasonably
2634 practicable to carry on the activities and affairs with the
2635 person as a member.

2636 (7) In the case of an individual:

2637 (a) The individual dies; or

2638 (b) In a member-managed limited liability company:

2639 1. A guardian or general conservator for the individual is

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2640 appointed; or

2641 2. There is a judicial order that the individual has
2642 otherwise become incapable of performing the individual's duties
2643 as a member under this chapter or the operating agreement.

2644 (8) In a member-managed limited liability company, the
2645 person:

2646 (a) Becomes a debtor in bankruptcy;
2647 (b) Executes an assignment for the benefit of creditors; or
2648 (c) Seeks, consents to, or acquiesces in the appointment of
2649 a trustee, receiver, or liquidator of the person or of all or
2650 substantially all the person's property.

2651 (9) In the case of a person that is a testamentary or inter
2652 vivos trust or is acting as a member by virtue of being a
2653 trustee of such a trust, the trust's entire transferable
2654 interest in the company is distributed.

2655 (10) In the case of a person that is an estate or is acting
2656 as a member by virtue of being a legal representative of an
2657 estate, the estate's entire transferable interest in the company
2658 is distributed.

2659 (11) In the case of a person that is not an individual, the
2660 existence of the person terminates.

2661 (12) The company participates in a merger under ss.

2662 605.1021-605.1026 and:

2663 (a) The company is not the surviving entity; or
2664 (b) Otherwise as a result of the merger, the person ceases
2665 to be a member.

2666 (13) The company participates in an interest exchange under
2667 ss. 605.1031-605.1036, and the person ceases to be a member.

2668 (14) The company participates in a conversion under ss.

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2669 605.1041-605.1046, and the person ceases to be member.

2670 (15) The company dissolves and completes winding up.

2671 605.0603 Effect of dissociation.—

2672 (1) If a person is dissociated as a member:

2673 (a) The person's right to participate as a member in the
2674 management and conduct of the company's activities and affairs
2675 terminates;

2676 (b) If the company is member-managed, the person's duties
2677 and obligations under s. 605.04091 as a member end with regard
2678 to matters arising and events occurring after the person's
2679 dissociation; and

2680 (c) Subject to s. 605.0504 and ss. 605.1001-605.1072, a
2681 transferable interest owned by the person in the person's
2682 capacity immediately before dissociation as a member is owned by
2683 the person solely as a transferee.

2684 (2) A person's dissociation as a member does not, of
2685 itself, discharge the person from a debt, obligation, or other
2686 liability to the company or the other members which the person
2687 incurred while a member.

2688 605.0701 Events causing dissolution.—A limited liability
2689 company is dissolved and its activities and affairs must be
2690 wound up upon the occurrence of the following:

2691 (1) An event or circumstance that the operating agreement
2692 states causes dissolution.

2693 (2) The consent of all the members.

2694 (3) The passage of 90 consecutive days during which the
2695 company has no members, unless:

2696 (a) Consent to admit at least one specified person as a
2697 member is given by transferees owning the rights to receive a

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2698 majority of distributions as transferees at the time the consent
2699 is to be effective; and

2700 (b) At least one person becomes a member in accordance with
2701 the consent.

2702 (4) The entry of a decree of judicial dissolution in
2703 accordance with s. 605.0705.

2704 (5) The filing of a statement of administrative dissolution
2705 by the department pursuant to s. 605.0714.

2706 605.0702 Grounds for judicial dissolution.—

2707 (1) A circuit court may dissolve a limited liability
2708 company:

2709 (a) In a proceeding by the Department of Legal Affairs if
2710 it is established that:

2711 1. The limited liability company obtained its articles of
2712 organization through fraud; or

2713 2. The limited liability company has continued to exceed or
2714 abuse the authority conferred upon it by law.

2715

2716 The enumeration in subparagraphs 1. and 2. of grounds for
2717 involuntary dissolution does not exclude actions or special
2718 proceedings by the Department of Legal Affairs or a state
2719 official for the annulment or dissolution of a limited liability
2720 company for other causes as provided in another law of this
2721 state.

2722 (b) In a proceeding by a manager or member if it is
2723 established that:

2724 1. The conduct of all or substantially all of the company's
2725 activities and affairs is unlawful;

2726 2. It is not reasonably practicable to carry on the

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2727 company's activities and affairs in conformity with the articles
2728 of organization and the operating agreement;

2729 3. The managers or members in control of the company have
2730 acted, are acting, or are reasonably expected to act in a manner
2731 that is illegal or fraudulent;

2732 4. The limited liability company's assets are being
2733 misappropriated or wasted, causing injury to the limited
2734 liability company, or in a proceeding by a member, causing
2735 injury to one or more of its members; or

2736 5. The managers or the members of the limited liability
2737 company are deadlocked in the management of the limited
2738 liability company's activities and affairs, the members are
2739 unable to break the deadlock, and irreparable injury to the
2740 limited liability company is threatened or being suffered.

2741 (c) In a proceeding by the limited liability company to
2742 have its voluntary dissolution continued under court
2743 supervision.

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

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

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

605.0703 Procedure for judicial dissolution; alternative remedies.—

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

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

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

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

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

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

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2814 (c) Upon a showing of good cause, order another remedy the
2815 court deems appropriate in its discretion, including an
2816 equitable remedy.

2817 (5) Section 57.105 applies to a proceeding brought under s.
2818 605.0702.

2819 605.0704 Receivership or custodianship.—

2820 (1) A court in a judicial proceeding brought to dissolve a
2821 limited liability company may appoint one or more receivers to
2822 wind up and liquidate or one or more custodians to manage the
2823 business and affairs of the limited liability company. The court
2824 shall hold a hearing, after notifying all parties to the
2825 proceeding and an interested person designated by the court,
2826 before appointing a receiver or custodian. The court appointing
2827 a receiver or custodian has exclusive jurisdiction over the
2828 limited liability company and all of its property, wherever
2829 located.

2830 (2) The court may appoint a person authorized to act as a
2831 receiver or custodian. The court may require the receiver or
2832 custodian to post bond, with or without sureties, in an amount
2833 the court directs.

2834 (3) The court shall describe the powers and duties of the
2835 receiver or custodian in its appointing order, which may be
2836 amended. Among other powers:

2837 (a) The receiver :

2838 1. May dispose of all or a part of the assets of the
2839 limited liability company wherever located, at a public or
2840 private sale, if authorized by the court; and
2841 2. May sue and defend in the receiver's own name, as
2842 receiver of the limited liability company, in all courts of this

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2843 state; and

2844 (b) The custodian may exercise all of the powers of the
2845 limited liability company, through or in place of its managers
2846 or members, to the extent necessary to manage the activities and
2847 affairs of the limited liability company in the best interest of
2848 its members and creditors.

2849 (4) During a receivership, the court may redesignate the
2850 receiver as a custodian and, during a custodianship, may
2851 redesignate the custodian as a receiver if doing so is in the
2852 best interests of the limited liability company and its members
2853 and creditors.

2854 (5) During the receivership or custodianship the court may
2855 order compensation paid and expense disbursements or
2856 reimbursements made to the receiver or custodian and the
2857 receiver's or custodian's counsel from the assets of the limited
2858 liability company or proceeds from the sale of part or all of
2859 those assets.

2860 (6) The court has jurisdiction to appoint an ancillary
2861 receiver for the assets and business of a limited liability
2862 company. The ancillary receiver shall serve ancillary to a
2863 receiver located in another state if the court deems that
2864 circumstances exist requiring the appointment of such a
2865 receiver. The court may appoint a receiver for a foreign limited
2866 liability company even though a receiver has not been appointed
2867 elsewhere. The receivership shall be converted into an ancillary
2868 receivership if an order entered by a court of competent
2869 jurisdiction in the other state provides for a receivership of
2870 the foreign limited liability company.

2871 605.0705 Decree of dissolution.-

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2872 (1) If, after a hearing, the court determines that one or
2873 more grounds for judicial dissolution described in s. 605.0702
2874 exist, the court may enter a decree dissolving the limited
2875 liability company and specifying the effective date of the
2876 dissolution, and the clerk of the court shall deliver a
2877 certified copy of the decree to the department, which shall file
2878 the decree.

2879 (2) After entering the decree of dissolution, the court
2880 shall direct the winding up and liquidation of the limited
2881 liability company's activities and affairs in accordance with
2882 ss. 605.0709-605.0713, subject to subsection (3).

2883 (3) In a proceeding for judicial dissolution, the court may
2884 require all creditors of the limited liability company to file
2885 with the clerk of the court or with the receiver, in a form as
2886 the court may prescribe, proofs under oath of their respective
2887 claims. If the court requires the filing of claims, the court
2888 shall fix a date, which may not be earlier than 4 months after
2889 the date of the order, as the last day for filing claims. The
2890 court shall prescribe the deadline for filing claims which shall
2891 be given to creditors and claimants. Before the date so fixed,
2892 the court may extend the time for the filing of claims by court
2893 order. Creditors and claimants failing to file proofs of claim
2894 on or before the date so fixed may be barred, by order of court,
2895 from participating in the distribution of the assets of the
2896 limited liability company. This section does not affect the
2897 enforceability of a recorded mortgage or lien or the perfected
2898 security interest or rights of a person in possession of real or
2899 personal property.

2900 605.0706 Election to purchase instead of dissolution.-

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2901 (1) In a proceeding initiated by a member of a limited
2902 liability company under s. 605.0702(1)(b) to dissolve the
2903 company, the company may elect, or, if it fails to elect, one or
2904 more other members may elect, to purchase the entire interest of
2905 the petitioner in the company at the fair value of the interest.
2906 An election pursuant to this section is irrevocable unless the
2907 court determines that it is equitable to set aside or modify the
2908 election.

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

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2930 the petitioning member may not sell or otherwise dispose of the
2931 interest of the petitioner in the company unless the court
2932 determines that it would be equitable to the company and the
2933 members, other than the petitioner, to authorize such
2934 discontinuance, settlement, sale, or other disposition or the
2935 sale is pursuant to a deadlock sale provision described in s.
2936 605.0702(1)(b).

2937 (3) If, within 60 days after the filing of the first
2938 election, the parties reach an agreement as to the fair value
2939 and terms of the purchase of the petitioner's interest, the
2940 court shall enter an order directing the purchase of the
2941 petitioner's interest upon the terms and conditions agreed to by
2942 the parties, unless the petitioner's interest has been acquired
2943 pursuant to a deadlock sale provision before the order.

2944 (4) If the parties are unable to reach an agreement as
2945 provided for in subsection (3), the court, upon application of a
2946 party, shall stay the proceedings and determine the fair value
2947 of the petitioner's interest as of the day before the date on
2948 which the petition was filed or as of such other date as the
2949 court deems appropriate under the circumstances.

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

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2959 awarded; and, if the interest is to be purchased by members, the
2960 allocation of the interest among those members. In allocating
2961 petitioner's interest among holders of different classes or
2962 series of interests in the company, the court shall attempt to
2963 preserve the existing distribution of voting rights among
2964 holders of different classes insofar as practicable and may
2965 direct that holders of a specific class or classes or series not
2966 participate in the purchase. Interest may be allowed at the rate
2967 and from the date determined by the court to be equitable;
2968 however, if the court finds that the refusal of the petitioning
2969 member to accept an offer of payment was arbitrary or otherwise
2970 not in good faith, payment of interest is not allowed. If the
2971 court finds that the petitioning member had probable grounds for
2972 relief under s. 605.0702(1) (b) 3. or 4., it may award to the
2973 petitioning member reasonable fees and expenses of counsel and
2974 of experts employed by petitioner.

2975 (6) Upon entry of an order under subsection (3) or
2976 subsection (5), the court shall dismiss the petition to dissolve
2977 the limited liability company, and the petitioning member shall
2978 no longer have rights or status as a member of the limited
2979 liability company except the right to receive the amounts
2980 awarded by the order of the court, which shall be enforceable in
2981 the same manner as any other judgment.

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

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2988 such articles of dissolution, the limited liability company
2989 shall be wound up in accordance with ss. 605.0709-605.0713, and
2990 the order entered pursuant to subsection (5) shall no longer be
2991 of force or effect except that the court may award the
2992 petitioning member reasonable fees and expenses of counsel and
2993 experts in accordance with subsection (5), and the petitioner
2994 may continue to pursue any claims previously asserted on behalf
2995 of the limited liability company.

2996 (8) A payment by the limited liability company pursuant to
2997 an order under subsection (3) or subsection (5), other than an
2998 award of fees and expenses pursuant to subsection (5), is
2999 subject to s. 605.0405.

3000 605.0707 Articles of dissolution; filing of articles of
3001 dissolution.—

3002 (1) Upon the occurrence of an event described in s.
3003 605.0701(1)-(3), the limited liability company shall deliver for
3004 filing articles of dissolution as provided in this section.

3005 (2) The articles of dissolution must state the following:
3006 (a) The name of the limited liability company.
3007 (b) The delayed effective date of the limited liability
3008 company's dissolution if the dissolution is not to be effective
3009 on the date the articles of dissolution are filed by the
3010 department.

3011 (c) The occurrence that resulted in the limited liability
3012 company's dissolution.

3013 (d) If there are no members, the name, address, and
3014 signature of the person appointed in accordance with this
3015 subsection to wind up the company.

3016 (3) The articles of dissolution of the limited liability

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3017 company shall be delivered to the department. If the department
3018 finds that the articles of dissolution conform to law, it shall,
3019 when all fees have been paid as prescribed in this chapter, file
3020 the articles of dissolution and issue a certificate of
3021 dissolution.

3022 (4) Upon the filing of the articles of dissolution, the
3023 limited liability company shall cease conducting its business
3024 and shall continue solely for the purpose of winding up its
3025 affairs in accordance with s. 605.0709, except for the purpose
3026 of lawsuits, other proceedings, and appropriate action as
3027 provided in this chapter.

3028 605.0708 Revocation of articles of dissolution.—

3029 (1) A limited liability company that has dissolved as the
3030 result of an event described in s. 605.0701(1)-(3) and filed
3031 articles of dissolution with the department, but has not filed a
3032 statement of termination which has become effective, may revoke
3033 its dissolution at any time before 120 days after the effective
3034 date of its articles of dissolution.

3035 (2) The revocation of the dissolution shall be authorized
3036 in the same manner as the dissolution was authorized.

3037 (3) After the revocation of dissolution is authorized, the
3038 limited liability company shall deliver a statement of
3039 revocation of dissolution to the department for filing, together
3040 with a copy of its articles of dissolution, which must include
3041 the following:

3042 (a) The name of the limited liability company.
3043 (b) The effective date of the dissolution which was
3044 revoked.

3045 (c) The date that the statement of revocation of

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3046 dissolution was authorized.

3047 (4) If there has been substantial compliance with
3048 subsection (3), the revocation of dissolution is effective when
3049 the department files the statement of revocation of dissolution.

3050 (5) When the revocation of dissolution becomes effective:

3051 (a) The company resumes carrying on its activities and
3052 affairs as if dissolution had never occurred;

3053 (b) Subject to paragraph (c), a liability incurred by the
3054 company after the dissolution and before the revocation is
3055 effective is determined as if dissolution had never occurred;
3056 and

3057 (c) The rights of a third party arising out of conduct in
3058 reliance on the dissolution before the third party knew or had
3059 notice of the revocation may not be adversely affected.

3060 605.0709 Winding up.—

3061 (1) A dissolved limited liability company shall wind up its
3062 activities and affairs and, except as otherwise provided in ss.
3063 605.0708 and 605.0715, the company continues after dissolution
3064 only for the purpose of winding up.

3065 (2) In winding up its activities and affairs, a limited
3066 liability company:

3067 (a) Shall discharge or make provision for the company's
3068 debts, obligations, and other liabilities as provided in ss.
3069 605.0710-605.0713, settle and close the company's activities and
3070 affairs, and marshal and distribute the assets of the company;
3071 and

3072 (b) May:

3073 1. Preserve the company's activities, affairs, and property
3074 as a going concern for a reasonable time;

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3075 2. Prosecute and defend actions and proceedings, whether
3076 civil, criminal, or administrative;
3077 3. Transfer title to the company's real estate and other
3078 property;
3079 4. Settle disputes by mediation or arbitration;
3080 5. Dispose of its properties that will not be distributed
3081 in kind to its members; and
3082 6. Perform other acts necessary or appropriate to the
3083 winding up.

3084 (3) If a dissolved limited liability company has no
3085 members, the legal representative of the last person to have
3086 been a member may wind up the activities and affairs of the
3087 company. If the legal representative does so, the person has the
3088 powers of a sole manager under s. 605.0407(3) and is deemed to
3089 be a manager for the purposes of s. 605.0304(1).

3090 (4) If the legal representative under subsection (3)
3091 declines or fails to wind up the company's activities and
3092 affairs, a person may be appointed to do so by the consent of
3093 the transferees owning a majority of the rights to receive
3094 distributions as transferees at the time the consent is to be
3095 effective. A person appointed under this subsection has the
3096 powers of a sole manager under s. 605.0407(3) and is deemed to
3097 be a manager for the purposes of s. 605.0304(1).

3098 (5) A circuit court may order judicial supervision of the
3099 winding up of a dissolved limited liability company, including
3100 the appointment of one or more persons to wind up the company's
3101 activities and affairs:

3102 (a) On application of a member or manager if the applicant
3103 establishes good cause;

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3104 (b) On the application of a transferee if:

3105 1. The company does not have any members;

3106 2. The legal representative of the last person to have been

3107 a member declines or fails to wind up the company's activities
3108 and affairs; or

3109 3. Within a reasonable time following the dissolution a
3110 person has not been appointed pursuant to subsection (3);

3111 (c) On application of a creditor of the company if the
3112 applicant establishes good cause, but only if a receiver,
3113 custodian, or another person has not already been appointed for
3114 that purpose under this chapter; or

3115 (d) In connection with a proceeding under s. 605.0702 if a
3116 receiver, custodian, or another person has not already been
3117 appointed for that purpose under s. 605.0704.

3118 (6) The person or persons appointed by a court under
3119 subsection (5) may also be designated trustees for or receivers
3120 of the company with the authority to take charge of the limited
3121 liability company's property; to collect the debts and property
3122 due and belonging to the limited liability company; to prosecute
3123 and defend, in the name of the limited liability company, or
3124 otherwise, all such suits as may be necessary or proper for the
3125 purposes described above; to appoint an agent or agents under
3126 them; and to do all other acts that might be done by the limited
3127 liability company, if in being, which may be necessary for the
3128 final settlement of the unfinished activities and affairs of the
3129 limited liability company. The powers of the trustees or
3130 receivers may be continued as long as the court determines is
3131 necessary for the above purposes.

3132 (7) A dissolved limited liability company that has

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3133 completed winding up may deliver to the department for filing a
3134 statement of termination that provides the following:

3135 (a) The name of the limited liability company.

3136 (b) The date of filing of its initial articles of
3137 organization.

3138 (c) The date of the filing of its articles of dissolution.

3139 (d) The limited liability company has completed winding up
3140 its activities and affairs and has determined that it will file
3141 a statement of termination.

3142 (e) Other information as determined by the authorized
3143 representative.

3144 (8) The manager or managers in office at the time of
3145 dissolution or the survivors of such manager or managers, or, if
3146 none, the members, shall thereafter be trustees for the members
3147 and creditors of the dissolved limited liability company. The
3148 trustees may distribute property of the limited liability
3149 company discovered after dissolution, convey real estate and
3150 other property, and take such other action as may be necessary
3151 on behalf of and in the name of the dissolved limited liability
3152 company.

3153 605.0710 Disposition of assets in winding up.—

3154 (1) In winding up its activities and affairs, a limited
3155 liability company must apply its assets to discharge its
3156 obligations to creditors, including members who are creditors.

3157 (2) After a limited liability company complies with
3158 subsection (1), the surplus must be distributed in the following
3159 order, subject to a charging order in effect under s. 605.0503:

3160 (a) To each person owning a transferable interest that
3161 reflects contributions made and not previously returned, an

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3162 amount equal to the value of the unreturned contributions; then

3163 (b) To members and persons dissociated as members, in the
3164 proportions in which they shared in distributions before
3165 dissolution, except to the extent necessary to comply with a
3166 transfer effective under s. 605.0502.

3167 (3) If the limited liability company does not have
3168 sufficient surplus to comply with paragraph (2)(a), any surplus
3169 must be distributed among the owners of transferable interests
3170 in proportion to the value of their respective unreturned
3171 contributions.

3172 (4) All distributions made under subsections (2) and (3)
3173 must be paid in money.

3174 605.0711 Known claims against dissolved limited liability
3175 company.—

3176 (1) A dissolved limited liability company or successor
3177 entity, as defined in subsection (14), may dispose of the known
3178 claims against it by following the procedures described in
3179 subsections (2)-(7).

3180 (2) A dissolved limited liability company or successor
3181 entity shall deliver to each of its known claimants written
3182 notice of the dissolution after its effective date. The written
3183 notice must do the following:

3184 (a) Provide a reasonable description of the claim that the
3185 claimant may be entitled to assert.

3186 (b) State whether the claim is admitted or not admitted, in
3187 whole or in part, and, if admitted:

3188 1. The amount that is admitted, which may be as of a given
3189 date; and

3190 2. An interest obligation if fixed by an instrument of

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3191 indebtedness.

3192 (c) Provide a mailing address to which a claim may be sent.

3193 (d) State the deadline, which may not be less than 120 days
3194 after the effective date of the written notice, by which
3195 confirmation of the claim must be delivered to the dissolved
3196 limited liability company or successor entity.

3197 (e) State that the dissolved limited liability company or
3198 successor entity may make distributions to other claimants and
3199 to the members or transferees of the limited liability company
3200 or persons interested without further notice.

3201 (3) A dissolved limited liability company or successor
3202 entity may reject, in whole or in part, a claim made by a
3203 claimant pursuant to this subsection by mailing notice of the
3204 rejection to the claimant within 90 days after receipt of the
3205 claim and, in all events, at least 150 days before the
3206 expiration of the 3-year period after the effective date of
3207 dissolution. A notice sent by the dissolved limited liability
3208 company or successor entity pursuant to this subsection must be
3209 accompanied by a copy of this section.

3210 (4) A dissolved limited liability company or successor
3211 entity electing to follow the procedures described in
3212 subsections (2) and (3) shall also give notice of the
3213 dissolution of the limited liability company to persons who have
3214 known claims that are contingent upon the occurrence or
3215 nonoccurrence of future events or otherwise conditional or
3216 unmatured and request that the persons present the claims in
3217 accordance with the terms of the notice. The notice must be in
3218 substantially the same form and sent in the same manner as
3219 described in subsection (2).

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3220 (5) A dissolved limited liability company or successor
3221 entity shall offer a claimant whose known claim is contingent,
3222 conditional, or unmatured such security as the limited liability
3223 company or entity determines is sufficient to provide
3224 compensation to the claimant if the claim matures. The dissolved
3225 limited liability company or successor entity shall deliver such
3226 offer to the claimant within 90 days after receipt of the claim
3227 and, in all events, at least 150 days before expiration of 3
3228 years after the effective date of dissolution. If the claimant
3229 that is offered the security does not deliver in writing to the
3230 dissolved limited liability company or successor entity a notice
3231 rejecting the offer within 120 days after receipt of the offer
3232 for security, the claimant is deemed to have accepted such
3233 security as the sole source from which to satisfy his, her, or
3234 its claim against the limited liability company.

3235 (6) A dissolved limited liability company or successor
3236 entity that gives notice in accordance with subsections (2) and
3237 (4) shall petition the circuit court in the applicable county to
3238 determine the amount and form of security that are sufficient to
3239 provide compensation to a claimant that has rejected the offer
3240 for security made pursuant to subsection (5).

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

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3249 in a proceeding brought under this subsection. The reasonable
3250 fees and expenses of the guardian, including all reasonable
3251 expert witness fees, shall be paid by the petitioner in the
3252 proceeding.

3253 (8) The giving of notice or making of an offer pursuant to
3254 this section does not revive a claim then barred, extend an
3255 otherwise applicable statute of limitations, or constitute
3256 acknowledgment by the dissolved limited liability company or
3257 successor entity that a person to whom such notice is sent is a
3258 proper claimant, and does not operate as a waiver of a defense
3259 or counterclaim in respect of a claim asserted by a person to
3260 whom such notice is sent.

3261 (9) A dissolved limited liability company or successor
3262 entity that followed the procedures described in subsections
3263 (2)-(7) must:

3264 (a) Pay the claims admitted or made and not rejected in
3265 accordance with subsection (3);

3266 (b) Post the security offered and not rejected pursuant to
3267 subsection (5);

3268 (c) Post a security ordered by the circuit court in a
3269 proceeding under subsections (6) and (7); and

3270 (d) Pay or make provision for all other known obligations
3271 of the limited liability company or the successor entity.

3272
3273 If there are sufficient funds, such claims or obligations must
3274 be paid in full, and a provision for payments must be made in
3275 full. If there are insufficient funds, the claims and
3276 obligations shall be paid or provided for according to their
3277 priority and, among claims of equal priority, ratably to the

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3278 extent of funds that are legally available therefor. Remaining
3279 funds shall be distributed to the members and transferees of the
3280 dissolved limited liability company. However, the distribution
3281 may not be made before the expiration of 150 days after the date
3282 of the last notice of a rejection given pursuant to subsection
3283 (3). In the absence of actual fraud, the judgment of the
3284 managers of a dissolved manager-managed limited liability
3285 company or the members of a dissolved member-managed limited
3286 liability company, or other person or persons winding up the
3287 limited liability company or the governing persons of the
3288 successor entity, as to the provisions made for the payment of
3289 all obligations under paragraph (d), is conclusive.

3290 (10) A dissolved limited liability company or successor
3291 entity that has not followed the procedures described in
3292 subsections (2) and (3) shall pay or make reasonable provision
3293 to pay all known claims and obligations, including all
3294 contingent, conditional, or unmatured claims known to the
3295 dissolved limited liability company or the successor entity and
3296 all claims that are known to the dissolved limited liability
3297 company or the successor entity but for which the identity of
3298 the claimant is unknown. If there are sufficient funds, the
3299 claims must be paid in full, and a provision made for payment
3300 must be made in full. If there are insufficient funds, the
3301 claims and obligations shall be paid or provided for according
3302 to their priority and, among claims of equal priority, ratably
3303 to the extent of funds that are legally available. Remaining
3304 funds shall be distributed to the members and transferees of the
3305 dissolved limited liability company.

3306 (11) A member or transferee of a dissolved limited

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3307 liability company to which the assets were distributed pursuant
3308 to subsection (9) or subsection (10) is not liable for a claim
3309 against the limited liability company in an amount in excess of
3310 the member's or transferee's pro rata share of the claim or the
3311 amount distributed to the member or transferee, whichever is
3312 less.

3313 (12) A member or transferee of a dissolved limited
3314 liability company to whom the assets were distributed pursuant
3315 to subsection (9) is not liable for a claim against the limited
3316 liability company, which claim is known to the limited liability
3317 company or successor entity and on which a proceeding is not
3318 begun before the expiration of 3 years after the effective date
3319 of dissolution.

3320 (13) The aggregate liability of a person for claims against
3321 the dissolved limited liability company arising under this
3322 section or s. 605.0710 may not exceed the amount distributed to
3323 the person in dissolution.

3324 (14) As used in this section and s. 605.0710, the term
3325 "successor entity" includes a trust, receivership, or other
3326 legal entity governed by the laws of this state to which the
3327 remaining assets and liabilities of a dissolved limited
3328 liability company are transferred and which exists solely for
3329 the purposes of prosecuting and defending suits by or against
3330 the dissolved limited liability company, thereby enabling the
3331 dissolved limited liability company to settle and close the
3332 activities and affairs of the dissolved limited liability
3333 company, to dispose of and convey the property of the dissolved
3334 limited liability company, to discharge the liabilities of the
3335 dissolved limited liability company, and to distribute to the

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3336 dissolved limited liability company's members or transferees any
3337 remaining assets, but not for the purpose of continuing the
3338 activities and affairs for which the dissolved limited liability
3339 company was organized.

3340 (15) As used in this section and ss. 605.0712 and 605.0713,
3341 the term "applicable county" means the county in this state in
3342 which the limited liability company's principal office is
3343 located or was located at the effective date of dissolution; if
3344 the company has, and at the effective date of dissolution had,
3345 no principal office in this state, then in the county in which
3346 the company has, or at the effective date of dissolution had, an
3347 office in this state; or if none in this state, then in the
3348 county in which the company's registered office is or was last
3349 located.

3350 (16) As used in this section, the term "known claim" or
3351 "claim" includes unliquidated claims, but does not include a
3352 contingent liability that has not matured so that there is no
3353 immediate right to bring suit or a claim based on an event
3354 occurring after the effective date of dissolution.

3355 605.0712 Other claims against a dissolved limited liability
3356 company.—

3357 (1) A dissolved limited liability company or successor
3358 entity, as defined in s. 605.0711(14), may choose to execute one
3359 of the following procedures to resolve payment of unknown
3360 claims:

3361 (a) The company or successor entity may file notice of its
3362 dissolution with the department on the form prescribed by the
3363 department and request that persons who have claims against the
3364 company which are not known to the company or successor entity

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3365 present them in accordance with the notice. The notice must:

3366 1. State the name of the company and the date of

3367 dissolution;

3368 2. Describe the information that must be included in a

3369 claim, state that the claim must be in writing, and provide a

3370 mailing address to which the claim may be sent; and

3371 3. State that a claim against the company is barred unless

3372 an action to enforce the claim is commenced within 4 years after

3373 the filing of the notice.

3374 (b) The company or successor entity may publish notice of

3375 its dissolution and request persons who have claims against the

3376 company to present them in accordance with the notice. The

3377 notice must:

3378 1. Be published in a newspaper of general circulation in

3379 the county in which the dissolved limited liability company's

3380 principal office is located or, if the principal office is not

3381 located in this state, in the county in which the office of the

3382 company's registered agent is or was last located;

3383 2. Describe the information that must be included in a

3384 claim, state that the claim must be in writing, and provide a

3385 mailing address to which the claim is to be sent; and

3386 3. State that a claim against the company is barred unless

3387 an action to enforce the claim is commenced within 4 years after

3388 publication of the notice.

3389 (2) If a dissolved limited liability company complies with

3390 paragraph (1)(a) or paragraph (1)(b), unless sooner barred by

3391 another statute limiting actions, the claim of each of the

3392 following claimants is barred unless the claimant commences an

3393 action to enforce the claim against the dissolved limited

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liability company within 4 years after the publication date of the notice:

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

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

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

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

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

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

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

605.0713 Court proceedings.—

(1) A dissolved limited liability company that has filed or published a notice under s. 605.0712(1)(a) or (1)(b) may file an application with the circuit court in the applicable county, as defined in s. 605.0711(15), for a determination of the amount and form of security to be provided for payment of claims that are contingent, have not been made known to the company, or are

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3423 based on an event occurring after the effective date of
3424 dissolution but which, based on the facts known to the dissolved
3425 company, are reasonably expected to arise after the effective
3426 date of dissolution. Security is not required for a claim that
3427 is, or is reasonably anticipated to be, barred under s.
3428 605.0712.

3429 (2) Within 10 days after filing an application under
3430 subsection (1), the dissolved limited liability company must
3431 give notice of the proceeding to each claimant holding a
3432 contingent claim known to the company.

3433 (3) In a proceeding under this section, the court may
3434 appoint a guardian ad litem to represent all claimants whose
3435 identities are unknown. The reasonable fees and expenses of the
3436 guardian ad litem, including all reasonable expert witness fees,
3437 must be paid by the dissolved limited liability company.

3438 (4) A dissolved limited liability company that provides
3439 security in the amount and form ordered by the court under
3440 subsection (1) satisfies the company's obligations with respect
3441 to claims that are contingent, have not been made known to the
3442 company, or are based on an event occurring after the effective
3443 date of dissolution, and such claims may not be enforced against
3444 a member or transferee that received assets in liquidation.

3445 605.0714 Administrative dissolution.—

3446 (1) The department may dissolve a limited liability company
3447 administratively if the company does not:

3448 (a) Deliver its annual report to the department by 5:00
3449 p.m. Eastern Time on the third Friday in September of each year;

3450 (b) Pay a fee or penalty due to the department under this
3451 chapter;

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3452 (c) Appoint and maintain a registered agent as required
3453 under s. 605.0113; or
3454 (d) Deliver for filing a statement of a change under s.
3455 605.0114 within 30 days after a change has occurred in the name
3456 or address of the agent unless, within 30 days after the change
3457 occurred:
3458 1. The agent filed a statement of change under s. 605.0116;
3459 or
3460 2. The change was made accordance with s. 605.0114(4).
3461 (2) Administrative dissolution of a limited liability
3462 company for failure to file an annual report must occur on the
3463 fourth Friday in September of each year. The department shall
3464 issue a notice in a record of administrative dissolution to the
3465 limited liability company dissolved for failure to file an
3466 annual report. Issuance of the notice may be by electronic
3467 transmission to a limited liability company that has provided
3468 the department with an e-mail address.
3469 (3) If the department determines that one or more grounds
3470 exist for administratively dissolving a limited liability
3471 company under paragraph (1)(b), paragraph (1)(c), or paragraph
3472 (1)(d), the department shall serve notice in a record to the
3473 limited liability company of its intent to administratively
3474 dissolve the limited liability company. Issuance of the notice
3475 may be by electronic transmission to a limited liability company
3476 that has provided the department with an e-mail address.
3477 (4) If, within 60 days after sending the notice of intent
3478 to administratively dissolve pursuant to subsection (3), a
3479 limited liability company does not correct each ground for
3480 dissolution under paragraph (1)(b), paragraph (1)(c), or

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3481 paragraph (1) (d) or demonstrate to the reasonable satisfaction
3482 of the department that each ground determined by the department
3483 does not exist, the department shall dissolve the limited
3484 liability company administratively and issue to the company a
3485 notice in a record of administrative dissolution that states the
3486 grounds for dissolution. Issuance of the notice of
3487 administrative dissolution may be by electronic transmission to
3488 a limited liability company that has provided the department
3489 with an e-mail address.

3490 (5) A limited liability company that has been
3491 administratively dissolved continues in existence but may only
3492 carry on activities necessary to wind up its activities and
3493 affairs, liquidate and distribute its assets, and notify
3494 claimants under ss. 605.0711 and 605.0712.

3495 (6) The administrative dissolution of a limited liability
3496 company does not terminate the authority of its registered agent
3497 for service of process.

3498 605.0715 Reinstatement.—

3499 (1) A limited liability company that is administratively
3500 dissolved under s. 605.0714 may apply to the department for
3501 reinstatement at any time after the effective date of
3502 dissolution. The company must submit a form of application for
3503 reinstatement prescribed and furnished by the department and
3504 provide all of the information required by the department,
3505 together with all fees and penalties then owed by the company at
3506 the rates provided by law at the time the company applies for
3507 reinstatement.

3508 (2) If the department determines that an application for
3509 reinstatement contains the information required under subsection

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(1) and that the information is correct, upon payment of all required fees and penalties, the department shall reinstate the limited liability company.

(3) When reinstatement under this section becomes effective:

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

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

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

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

605.0716 Judicial review of denial of reinstatement.—

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

(2) Within 30 days after service of a notice of denial of reinstatement, a limited liability company may appeal the denial by petitioning the circuit court in the applicable county, as defined in s. 605.0711(15), to set aside the dissolution. The

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3539 petition must be served on the department and contain a copy of
3540 the department's notice of administrative dissolution, the
3541 company's application for reinstatement, and the department's
3542 notice of denial.

3543 (3) The court may order the department to reinstate a
3544 dissolved limited liability company or take other action the
3545 court considers appropriate.

3546 605.0717 Effect of dissolution.—

3547 (1) Dissolution of a limited liability company does not:

3548 (a) Transfer title to the limited liability company's
3549 assets;

3550 (b) Prevent commencement of a proceeding by or against the
3551 limited liability company in its name;

3552 (c) Abate or suspend a proceeding pending by or against the
3553 limited liability company on the effective date of dissolution;
3554 or

3555 (d) Terminate the authority of the registered agent of the
3556 limited liability company.

3557 (2) Except as provided in s. 605.0715(4), the name of the
3558 dissolved limited liability company is not available for
3559 assumption or use by another business entity until 120 days
3560 after the effective date of dissolution or filing of a statement
3561 of termination, if earlier.

3562 605.0801 Direct action by member.—

3563 (1) Subject to subsection (2), a member may maintain a
3564 direct action against another member, a manager, or the limited
3565 liability company to enforce the member's rights and otherwise
3566 protect the member's interests, including rights and interests
3567 under the operating agreement or this chapter or arising

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3568 independently of the membership relationship.

3569 (2) A member maintaining a direct action under this section
3570 must plead and prove an actual or threatened injury that is not
3571 solely the result of an injury suffered or threatened to be
3572 suffered by the limited liability company.

3573 605.0802 Derivative action.—A member may maintain a
3574 derivative action to enforce a right of a limited liability
3575 company if:

3576 (1) The member first makes a demand on the other members in
3577 a member-managed limited liability company or the managers of a
3578 manager-managed limited liability company requesting that the
3579 managers or other members cause the company to take suitable
3580 action to enforce the right, and the managers or other members
3581 do not take the action within a reasonable time, not to exceed
3582 90 days; or

3583 (2) A demand under subsection (1) would be futile, or
3584 irreparable injury would result to the company by waiting for
3585 the other members or the managers to take action to enforce the
3586 right in accordance with subsection (1).

3587 605.0803 Proper plaintiff.—A derivative action to enforce a
3588 right of a limited liability company may be maintained only by a
3589 person who is a member at the time the action is commenced and:

3590 (1) Was a member when the conduct giving rise to the action
3591 occurred; or

3592 (2) Whose status as a member devolved on the person by
3593 operation of law or pursuant to the terms of the operating
3594 agreement from a person who was a member at the time of the
3595 conduct.

3596 605.0804 Special litigation committee.—

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3597 (1) If a limited liability company is named as or made a
3598 party in a derivative action, the company may appoint a special
3599 litigation committee to investigate the claims asserted in the
3600 derivative action and determine whether pursuing the action is
3601 in the best interest of the company. If the company appoints a
3602 special litigation committee, on motion, except for good cause
3603 shown, the court may stay any derivative action for the time
3604 reasonably necessary to permit the committee to make its
3605 investigation. This subsection does not prevent the court from:

3606 (a) Enforcing a person's rights under the company's
3607 operating agreement or this chapter, including the person's
3608 rights to information under s. 605.0410; or

3609 (b) Exercising its equitable or other powers, including
3610 granting extraordinary relief in the form of a temporary
3611 restraining order or preliminary injunction.

3612 (2) A special litigation committee must be composed of one
3613 or more disinterested and independent individuals, who may be
3614 members.

3615 (3) A special litigation committee may be appointed:

3616 (a) In a member-managed limited liability company, by the
3617 consent of the members who are not named as parties in the
3618 derivative action, who are otherwise disinterested and
3619 independent, and who hold a majority of the current percentage
3620 or other interest in the profits of the company owned by all of
3621 the members of the company who are not named as parties in the
3622 derivative action and who are otherwise disinterested and
3623 independent;

3624 (b) In a manager-managed limited liability company, by a
3625 majority of the managers not named as parties in the derivative

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3626 action and who are otherwise disinterested and independent; or

3627 (c) Upon motion by the limited liability company,
3628 consisting of a panel of one or more disinterested and
3629 independent persons.

3630 (4) After appropriate investigation, a special litigation
3631 committee shall determine what action is in the best interest of
3632 the limited liability company, including continuing, dismissing,
3633 or settling the derivative action or taking another action that
3634 the special litigation committee deems appropriate.

3635 (5) After making a determination under subsection (4), a
3636 special litigation committee shall file or cause to be filed
3637 with the court a statement of its determination and its report
3638 supporting its determination and shall serve each party to the
3639 derivative action with a copy of the determination and report.
3640 Upon motion to enforce the determination of the special
3641 litigation committee, the court shall determine whether the
3642 members of the committee were disinterested and independent and
3643 whether the committee conducted its investigation and made its
3644 recommendation in good faith, independently, and with reasonable
3645 care, with the committee having the burden of proof. If the
3646 court finds that the members of the committee were disinterested
3647 and independent and that the committee acted in good faith,
3648 independently, and with reasonable care, the court may enforce
3649 the determination of the committee. Otherwise, the court shall
3650 dissolve any stay of derivative action entered under subsection
3651 (1) and allow the derivative action to continue under the
3652 control of the plaintiff.

3653 605.0805 Proceeds and expenses.—

3654 (1) Except as otherwise provided in subsection (2):

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3655 (a) Proceeds or other benefits of a derivative action under
3656 s. 605.0802, whether by judgment, compromise, or settlement,
3657 belong to the limited liability company and not to the
3658 plaintiff; and

3659 (b) If the plaintiff receives any proceeds, the plaintiff
3660 shall remit them immediately to the company.

3661 (2) If a derivative action under s. 608.0802 is successful
3662 in whole or in part, the court may award the plaintiff
3663 reasonable expenses, including reasonable attorney fees and
3664 costs, from the recovery of the limited liability company.

3665 605.0806 Voluntary dismissal or settlement; notice.—

3666 (1) A derivative action on behalf of a limited liability
3667 company may not be voluntarily dismissed or settled without the
3668 court's approval.

3669 (2) If the court determines that a proposed voluntary
3670 dismissal or settlement will substantially affect the interest
3671 of the limited liability company's members or a class, series,
3672 or voting group of members, the court shall direct that notice
3673 be given to the members affected. The court may determine which
3674 party or parties to the derivative action shall bear the expense
3675 of giving the notice.

3676 605.0901 Governing law.—

3677 (1) The law of the state or other jurisdiction under which
3678 a foreign limited liability company exists governs:

3679 (a) The organization and internal affairs of the foreign
3680 limited liability company; and

3681 (b) The liability of a member as member and a manager as
3682 manager for the debts, obligations, or other liabilities of the
3683 foreign limited liability company.

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3684 (2) A foreign limited liability company may not be denied a
3685 certificate of authority by reason of a difference between its
3686 jurisdiction of formation and the laws of this state.

3687 (3) A certificate of authority does not authorize a foreign
3688 limited liability company to engage in any business or exercise
3689 any power that a limited liability company may not engage in or
3690 exercise in this state.

3691 605.0902 Application for certificate of authority.—

3692 (1) A foreign limited liability company may not transact
3693 business in this state until it obtains a certificate of
3694 authority from the department. A foreign limited liability
3695 company may apply for a certificate of authority to transact
3696 business in this state by delivering an application to the
3697 department for filing. Such application must be made on forms
3698 prescribed by the department. The application must contain the
3699 following:

3700 (a) The name of the foreign limited liability company and,
3701 if the name does not comply with s. 605.0112, an alternate name
3702 adopted pursuant to s. 605.0906.

3703 (b) The name of the foreign limited liability company's
3704 jurisdiction of formation.

3705 (c) The principal office and mailing addresses of the
3706 foreign limited liability company.

3707 (d) The name and street address in this state of, and the
3708 written acceptance by, the foreign limited liability company's
3709 initial registered agent in this state.

3710 (e) The name, title or capacity, and address of at least
3711 one person who has the authority to manage the foreign limited
3712 liability company.

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3713 (f) Additional information as may be necessary or
3714 appropriate in order to enable the department to determine
3715 whether the foreign limited liability company is entitled to
3716 file an application for a certificate of authority to transact
3717 business in this state and to determine and assess the fees as
3718 prescribed in this chapter.

3719 (2) A foreign limited liability company shall deliver with
3720 a completed application under subsection (1) a certificate of
3721 existence or a record of similar import signed by the Secretary
3722 of State or other official having custody of the foreign limited
3723 liability company's publicly filed records in its jurisdiction
3724 of formation, dated not more than 90 days before the delivery of
3725 the application to the department.

3726 (3) For purposes of complying with the requirements of this
3727 chapter, the department may require each individual series or
3728 cell of a foreign series limited liability company that
3729 transacts business in this state to make a separate application
3730 for certificate of authority, and to make such other filings as
3731 may be required for purposes of complying with the requirements
3732 of this chapter as if each such series or cell were a separate
3733 foreign limited liability company.

3734 605.0903 Effect of a certificate of authority.—

3735 (1) Unless the department determines that an application
3736 for a certificate of authority of a foreign limited liability
3737 company to transact business in this state does not comply with
3738 the filing requirements of this chapter, the department shall,
3739 upon payment of all filing fees, authorize the foreign limited
3740 liability company to transact business in this state and file
3741 the application for a certificate of authority.

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3742 (2) The filing by the department of an application for a
3743 certificate of authority authorizes the foreign limited
3744 liability company that files the application to transact
3745 business in this state, subject, however, to the right of the
3746 department to suspend or revoke the certificate of authority as
3747 provided in this chapter.

3748 605.0904 Effect of failure to have certificate of
3749 authority.—

3750 (1) A foreign limited liability company transacting
3751 business in this state or its successors may not maintain an
3752 action or proceeding in this state unless it has a certificate
3753 of authority to transact business in this state.

3754 (2) The successor to a foreign limited liability company
3755 that transacted business in this state without a certificate of
3756 authority and the assignee of a cause of action arising out of
3757 that business may not maintain a proceeding based on that cause
3758 of action in a court in this state until the foreign limited
3759 liability company or its successor obtains a certificate of
3760 authority.

3761 (3) A court may stay a proceeding commenced by a foreign
3762 limited liability company or its successor or assignee until it
3763 determines whether the foreign limited liability company or its
3764 successor requires a certificate of authority. If it so
3765 determines, the court may further stay the proceeding until the
3766 foreign limited liability company or its successor obtains the
3767 certificate.

3768 (4) The failure of a foreign limited liability company to
3769 have a certificate of authority to transact business in this
3770 state does not impair the validity of a contract or act of the

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3771 foreign limited liability company or prevent the foreign limited
3772 liability company from defending an action or proceeding in this
3773 state.

3774 (5) A member or manager of a foreign limited liability
3775 company is not liable for the debts, obligations, or other
3776 liabilities of the foreign limited liability company solely
3777 because the foreign limited liability company transacted
3778 business in this state without a certificate of authority.

3779 (6) If a foreign limited liability company transacts
3780 business in this state without a certificate of authority or
3781 cancels its certificate of authority, it appoints the department
3782 as its agent for service of process for rights of action arising
3783 out of the transaction of business in this state.

3784 (7) A foreign limited liability company that transacts
3785 business in this state without obtaining a certificate of
3786 authority is liable to this state for the years or parts thereof
3787 during which it transacted business in this state without
3788 obtaining a certificate of authority in an amount equal to all
3789 fees and penalties that would have been imposed by this chapter
3790 upon the foreign limited liability company had it duly applied
3791 for and received a certificate authority to transact business in
3792 this state as required under this chapter. In addition to the
3793 payments thus prescribed, the foreign limited liability company
3794 is liable for a civil penalty of at least \$500 but not more than
3795 \$1,000 for each year or part thereof during which it transacts
3796 business in this state without a certificate of authority. The
3797 department may collect all penalties due under this subsection.

3798 605.0905 Activities not constituting transacting business.—

3799 (1) The following activities, among others, do not

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3800 constitute transacting business within the meaning of s.

3801 605.0902(1):

3802 (a) Maintaining, defending, or settling any proceeding.

3803 (b) Holding meetings of the managers or members or carrying

3804 on other activities concerning internal company affairs.

3805 (c) Maintaining bank accounts.

3806 (d) Maintaining managers or agencies for the transfer,

3807 exchange, and registration of the foreign limited liability

3808 company's own securities or maintaining trustees or depositaries

3809 with respect to those securities.

3810 (e) Selling through independent contractors.

3811 (f) Soliciting or obtaining orders, whether by mail or

3812 through employees, agents, or otherwise, if the orders require

3813 acceptance outside this state before they become contracts.

3814 (g) Creating or acquiring indebtedness, mortgages, and

3815 security interests in real or personal property.

3816 (h) Securing or collecting debts or enforcing mortgages and

3817 security interests in property securing the debts.

3818 (i) Transacting business in interstate commerce.

3819 (j) Conducting an isolated transaction that is completed

3820 within 30 days and that is not one in the course of repeated

3821 transactions of a like nature.

3822 (k) Owning and controlling a subsidiary corporation

3823 incorporated in or limited liability company formed in, or

3824 transacting business within, this state; voting the stock of any

3825 such subsidiary corporation; or voting the membership interests

3826 of any such limited liability company, which it has lawfully

3827 acquired.

3828 (l) Owning a limited partner interest in a limited

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3829 partnership that is transacting business within this state,
3830 unless the limited partner manages or controls the partnership
3831 or exercises the powers and duties of a general partner.

3832 (m) Owning, without more, real or personal property.

3833 (2) The list of activities in subsection (1) is not an
3834 exhaustive list of activities that constitute transacting
3835 business within the meaning of s. 605.0902(1).

3836 (3) The ownership in this state of income-producing real
3837 property or tangible personal property, other than property
3838 excluded under subsection (1), constitutes transacting business
3839 in this state for purposes of s. 605.0902(1).

3840 (4) This section does not apply when determining the
3841 contacts or activities that may subject a foreign limited
3842 liability company to service of process, taxation, or regulation
3843 under the law of this state other than this chapter.

3844 605.0906 Noncomplying name of foreign limited liability
3845 company.—

3846 (1) A foreign limited liability company whose name is
3847 unavailable under or whose name does not otherwise comply with
3848 s. 605.0112 may use an alternate name that complies with s.
3849 605.0112 to transact business in this state. An alternate name
3850 adopted for use in this state shall be cross-referenced to the
3851 actual name of the foreign limited liability company in the
3852 records of the department. If the actual name of the foreign
3853 limited liability company subsequently becomes available in this
3854 state or the foreign limited liability company chooses to change
3855 its alternate name, a copy of the record approving the change by
3856 its members, managers, or other persons having the authority to
3857 do so, and executed as required pursuant to s. 605.0203, shall

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3858 be delivered to the department for filing.

3859 (2) A foreign limited liability company that adopts an
3860 alternate name under subsection (1) and obtains a certificate of
3861 authority with the alternate name need not comply with s.
3862 865.09.

3863 (3) After obtaining a certificate of authority with an
3864 alternate name, a foreign limited liability company shall
3865 transact business in this state under the alternate name unless
3866 the company is authorized under s. 865.09 to transact business
3867 in this state under another name.

3868 (4) If a foreign limited liability company authorized to
3869 transact business in this state changes its name to one that
3870 does not comply with s. 605.0112, it may not thereafter transact
3871 business in this state until it complies with subsection (1) and
3872 obtains an amended certificate of authority.

3873 605.0907 Amendment to certificate of authority.—

3874 (1) A foreign limited liability company authorized to
3875 transact business in this state shall deliver for filing an
3876 amendment to its certificate of authority to reflect the change
3877 of any of the following:

3878 (a) Its name on the records of the department.

3879 (b) Its jurisdiction of formation.

3880 (c) The name and street address in this state of the
3881 company's registered agent in this state, unless the change was
3882 timely made in accordance with s. 605.0114 or s. 605.0116.

3883 (d) Any person identified in accordance with s.

3884 605.0902(1)(e), or a change in the title or capacity or address
3885 of that person.

3886 (2) The amendment must be filed within 30 days after the

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3887 occurrence of a change described in subsection (1), must be
3888 signed by an authorized representative of the foreign limited
3889 liability company, and must state the following:

3890 (a) The name of the foreign limited liability company as it
3891 appears on the records of the department.

3892 (b) Its jurisdiction of formation.

3893 (c) The date the foreign limited liability company was
3894 authorized to transact business this state.

3895 (d) If the name of the foreign limited liability company
3896 has been changed, the name relinquished and its new name.

3897 (e) If the amendment changes the jurisdiction of formation
3898 of the foreign limited liability company, a statement of that
3899 change.

3900 (3) Subject to subsection (4), a foreign limited liability
3901 company authorized to do business in this state may make
3902 application to the department to obtain an amended certificate
3903 of authority to add, remove, or change the name, title,
3904 capacity, or address of a person who has the authority to manage
3905 the foreign limited liability company.

3906 (4) The requirements of s. 605.0902(2) for obtaining an
3907 original certificate of authority apply to obtaining an amended
3908 certificate under this section unless the Secretary of State or
3909 other official having custody of the foreign limited liability
3910 company's publicly filed records in its jurisdiction of
3911 formation did not require an amendment to effectuate the change
3912 on its records.

3913 605.0908 Revocation of certificate of authority.—

3914 (1) A certificate of authority of a foreign limited
3915 liability company to transact business in this state may be

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3916 revoked by the department if:

3917 (a) The foreign limited liability company does not deliver
3918 its annual report to the department by 5 p.m. Eastern Time on
3919 the third Friday in September of each year;

3920 (b) The foreign limited liability company does not pay a
3921 fee or penalty due to the department under this chapter;

3922 (c) The foreign limited liability company does not appoint
3923 and maintain a registered agent as required under s. 605.0113;

3924 (d) The foreign limited liability company does not deliver
3925 for filing a statement of a change under s. 605.0114 within 30
3926 days after a change has occurred in the name or address of the
3927 agent, unless, within 30 days after the change occurred, either:

3928 1. The registered agent files a statement of change under
3929 s. 605.0116; or

3930 2. The change was made in accordance with s. 605.0114(4) or
3931 s. 605.0907(1)(d);

3932 (e) The foreign limited liability company has failed to
3933 amend its certificate of authority to reflect a change in its
3934 name on the records of the department or its jurisdiction of
3935 formation;

3936 (f) The department receives a duly authenticated
3937 certificate from the official having custody of records in the
3938 company's jurisdiction of formation stating that it has been
3939 dissolved or is no longer active on the official's records;

3940 (g) The foreign limited liability company's period of
3941 duration has expired;

3942 (h) A member, manager, or agent of the foreign limited
3943 liability company signs a document that the member, manager, or
3944 agent knew was false in a material respect with the intent that

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3945 the document be delivered to the department for filing; or
3946 (i) The foreign limited liability company has failed to
3947 answer truthfully and fully, within the time prescribed in s.
3948 605.1104, interrogatories propounded by the department.

3949 (2) Revocation of a foreign limited liability company's
3950 certificate of authority for failure to file an annual report
3951 shall occur on the fourth Friday in September of each year. The
3952 department shall issue a notice in a record of the revocation to
3953 the revoked foreign limited liability company. Issuance of the
3954 notice may be by electronic transmission to a foreign limited
3955 liability company that has provided the department with an e-
3956 mail address.

3957 (3) If the department determines that one or more grounds
3958 exist under paragraphs (1)(b)-(i) for revoking a foreign limited
3959 liability company's certificate of authority, the department
3960 shall issue a notice in a record to the foreign limited
3961 liability company of the department's intent to revoke the
3962 certificate of authority. Issuance of the notice may be by
3963 electronic transmission to a foreign limited liability company
3964 that has provided the department with an e-mail address.

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

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3974 the notice may be by electronic transmission to a foreign
3975 limited liability company that has provided the department with
3976 an e-mail address.

3977 605.0909 Reinstatement following revocation of certificate
3978 of authority.—

3979 (1) A foreign limited liability company whose certificate
3980 of authority has been revoked may apply to the department for
3981 reinstatement at any time after the effective date of the
3982 revocation. The foreign limited liability company applying for
3983 reinstatement must provide information in a form prescribed and
3984 furnished by the department and pay all fees and penalties then
3985 owed by the foreign limited liability company at rates provided
3986 by law at the time the foreign limited liability company applies
3987 for reinstatement.

3988 (2) If the department determines that an application for
3989 reinstatement contains the information required under subsection
3990 (1) and that the information is correct, upon payment of all
3991 required fees and penalties, the department shall reinstate the
3992 foreign limited liability company's certificate of authority.

3993 (3) When a reinstatement becomes effective, it relates back
3994 to and takes effect as of the effective date of the revocation
3995 of authority and the foreign limited liability company may
3996 resume its activities in this state as if the revocation of
3997 authority had not occurred.

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

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4003 pursuant to s. 605.0203 which authorizes the immediate
4004 assumption or use of its name by another limited liability
4005 company.

4006 (5) If the name of the foreign limited liability company
4007 applying for reinstatement has been lawfully assumed in this
4008 state by another business entity, the department shall require
4009 the foreign limited liability company to comply with s. 605.0906
4010 before accepting its application for reinstatement.

4011 605.0910 Withdrawal and cancellation of certificate of
4012 authority.—To cancel its certificate of authority to transact
4013 business in this state, a foreign limited liability company must
4014 deliver to the department for filing a notice of withdrawal of
4015 certificate of authority. The certificate is canceled when the
4016 notice becomes effective pursuant to s. 605.0207. The notice of
4017 withdrawal of certificate of authority must be signed by an
4018 authorized representative and state the following:

4019 (1) The name of the foreign limited liability company as it
4020 appears on the records of the department.

4021 (2) The name of the foreign limited liability company's
4022 jurisdiction of formation.

4023 (3) The date the foreign limited liability company was
4024 authorized to transact business in this state.

4025 (4) The foreign limited liability company is withdrawing
4026 its certificate of authority in this state.

4027 605.0911 Withdrawal deemed on conversion to domestic filing
4028 entity.—A registered foreign limited liability company that
4029 converts to a domestic limited liability company or to another
4030 domestic entity that is organized, incorporated, registered or
4031 otherwise formed through the delivery of a record to the

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4032 department for filing is deemed to have withdrawn its
4033 certificate of authority on the effective date of the
4034 conversion.

4035 605.0912 Withdrawal on dissolution, merger, or conversion
4036 to nonfiling entity.—

4037 (1) A registered foreign limited liability company that has
4038 dissolved and completed winding up, merged into a foreign entity
4039 that is not registered in this state, or has converted to a
4040 domestic or foreign entity that is not organized, incorporated,
4041 registered or otherwise formed through the public filing of a
4042 record, shall deliver a notice of withdrawal of certificate of
4043 authority to the department for filing in accordance with s.
4044 605.0910.

4045 (2) After a withdrawal under this section of a foreign
4046 entity that has converted to another type of entity is
4047 effective, service of process in any action or proceeding based
4048 on a cause of action arising during the time the foreign limited
4049 liability company was registered to do business in this state
4050 may be made pursuant to s. 605.0117.

4051 605.0913 Action by Department of Legal Affairs.—The
4052 Department of Legal Affairs may maintain an action to enjoin a
4053 foreign limited liability company from transacting business in
4054 this state in violation of this chapter.

4055 605.1001 Relationship of the provisions of ss. 605.1001-
4056 605.1072 to other laws.—

4057 (1) The provisions of ss. 605.1001-605.1072 do not
4058 authorize an act prohibited by, and do not affect the
4059 application or requirements of, law other than the provisions of
4060 ss. 605.1001-605.1072.

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4061 (2) A transaction effected under ss. 605.1001-605.1072 may
4062 not create or impair a right or obligation on the part of a
4063 person under a provision of the law of this state other than ss.
4064 605.1001-605.1072, relating to a change in control, takeover,
4065 business combination, control-share acquisition, or similar
4066 transaction involving a merging, acquiring, or converting
4067 domestic business corporation unless:

4068 (a) If the corporation does not survive the transaction,
4069 the transaction satisfies the requirements of the provision; or

4070 (b) If the corporation survives the transaction, the
4071 approval of the plan is by a vote of the shareholders or
4072 directors which would be sufficient to create or impair the
4073 right or obligation directly under the provision.

4074 605.1002 Charitable and donative provisions.-

4075 (1) Property held for a charitable purpose under the law of
4076 this state by a domestic or foreign entity immediately before a
4077 transaction under this chapter becomes effective may not, as a
4078 result of the transaction, be diverted from the objects for
4079 which it was donated, granted, devised, or otherwise transferred
4080 unless, to the extent required under or pursuant to the law of
4081 this state concerning cy pres or other law dealing with
4082 nondiversion of charitable assets, the entity obtains an
4083 appropriate order of the appropriate court specifying the
4084 disposition of the property.

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

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4090 that would govern property if transferred to the nonsurviving
4091 entity applies to property that is transferred to the surviving
4092 entity under this section.

4093 605.1003 Status of filings.—A filing under ss. 605.1001-
4094 605.1072 signed by a domestic entity becomes part of the public
4095 organic record of the entity if the entity's organic law
4096 provides that similar filings under that law become part of the
4097 public organic record of the entity.

4098 605.1004 Nonexclusivity.—The fact that a transaction under
4099 ss. 605.1001–605.1072 produces a certain result does not
4100 preclude the same result from being accomplished in any other
4101 manner authorized under a law other than the provisions of ss.
4102 605.1001–605.1072.

4103 605.1005 Reference to external facts.—A plan may refer to
4104 facts ascertainable outside the plan if the manner in which the
4105 facts will operate upon the plan is specified in the plan. The
4106 facts may include the occurrence of an event or a determination
4107 or action by a person, whether or not the event, determination,
4108 or action is within the control of a party to the transaction.

4109 605.1006 Appraisal rights.—

4110 (1) A member of a limited liability company is entitled to
4111 appraisal rights and to obtain payment of the fair value of that
4112 member's membership interest in the following events:

4113 (a) Consummation of a merger of a limited liability company
4114 pursuant to this chapter where the member possessed the right to
4115 vote upon the merger.

4116 (b) Consummation of a conversion of such limited liability
4117 company pursuant to this chapter where the member possessed the
4118 right to vote upon the conversion.

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4119 (c) Consummation of an interest exchange pursuant to this
4120 chapter where the member possessed the right to vote upon the
4121 interest exchange except that appraisal rights are not available
4122 to any interest holder of the limited liability company whose
4123 interest in the limited liability company is not subject to
4124 exchange in the interest exchange.

4125 (d) Consummation of a sale of substantially all of the
4126 assets of a limited liability company where the member possessed
4127 the right to vote upon the sale unless the sale is pursuant to
4128 court order or the sale is for cash pursuant to a plan under
4129 which all or substantially all of the net proceeds of the sale
4130 will be distributed to the interest holders within 1 year after
4131 the date of sale.

4132 (e) An amendment to the organic rules of the entity which
4133 reduces the interest of the holder to a fraction of an interest,
4134 if the limited liability company will be obligated to or will
4135 have the right to repurchase the fractional interest so created.

4136 (f) An amendment to the organic rules of an entity, the
4137 effect of which is to alter or abolish voting or other rights
4138 with respect to such interest in a manner that is adverse to the
4139 interest of such member, except as the right may be affected by
4140 the voting or other rights of new interests then being
4141 authorized of a new class or series of interests.

4142 (g) An amendment to the organic rules of an entity the
4143 effect of which is to adversely affect the interest of the
4144 member by altering or abolishing appraisal rights under this
4145 section.

4146 (h) To the extent otherwise expressly authorized by the
4147 organic rules of the limited liability company.

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4148 (2) A limited liability company may modify, restrict, or
4149 eliminate the appraisal rights provided in this section in its
4150 organic rules if the provision modifying, restricting, or
4151 eliminating the appraisal rights is authorized by each member
4152 whose appraisal rights are being modified, restricted, or
4153 eliminated. Organic rules containing an express waiver of
4154 appraisal rights that are approved by a member constitute a
4155 waiver of appraisal rights with respect to such member to the
4156 extent provided in such organic rules.

4157 (3) To the extent that appraisal rights are available
4158 hereunder, ss. 605.1061-605.1072 govern the procedures with
4159 respect to such appraisal rights as between the limited
4160 liability company and its members.

4161 (4) Notwithstanding subsection (1), the availability of
4162 appraisal rights must be limited in accordance with the
4163 following provisions:

4164 (a) Appraisal rights are not available for holders of a
4165 membership interests that are:

4166 1. A covered security under section 18(b)(1)(A) or (B) of
4167 the Securities Act of 1933, as amended;

4168 2. Traded in an organized market and part of a class or
4169 series that has at least 2,000 members or other holders and a
4170 market value of at least \$20 million, exclusive of the value of
4171 such class or series of membership interests held by the limited
4172 liability company's subsidiaries, senior executives, managers,
4173 and beneficial members owning more than 10 percent of such class
4174 or series of membership interests; or

4175 3. Issued by an open-end management investment company
4176 registered with the Securities and Exchange Commission under the

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4177 Investment Company Act of 1940 and subject to being redeemed at
4178 the option of the holder at net asset value.

4179 (b) The applicability of paragraph (a) shall be determined
4180 as of the date fixed to determine the members entitled to
4181 receive notice of and to vote upon the appraisal event, or the
4182 day before the effective date of such appraisal event if there
4183 is no meeting of the members to vote upon the appraisal event.

4184 (c) Subsection (4) does not apply to, and appraisal rights
4185 must be available pursuant to subsection (1) for, any members
4186 who are required by the appraisal event to accept for their
4187 membership interests anything other than cash or a proprietary
4188 interest in an entity that satisfies the standards provided in
4189 paragraph (a) at the time the appraisal event becomes effective.

4190 (d) Subsection (4) does not apply to, and appraisal rights
4191 must be available pursuant to subsection (1) for, the holder of
4192 a membership interest if:

4193 1. Any of the members' interests in the limited liability
4194 company or the limited liability company's assets are being
4195 acquired or converted, whether by merger, conversion, or
4196 otherwise, pursuant to the appraisal event by a person or by an
4197 affiliate of a person who:

4198 a. Is or at any time in the 1-year period immediately
4199 preceding approval of the appraisal event was the beneficial
4200 owner of 20 percent or more of those interests in the limited
4201 liability company entitled to vote on the appraisal event,
4202 excluding any such interests acquired pursuant to an offer for
4203 all interests having such voting rights, if such offer was made
4204 within 1 year before the appraisal event for consideration of
4205 the same kind and of a value equal to or less than that paid in

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4206 connection with the appraisal event; or

4207 b. Directly or indirectly has, or at any time in the 1-year
4208 period immediately preceding approval of the appraisal event
4209 had, the power, contractually or otherwise, to cause the
4210 appointment or election of any senior executives or managers of
4211 the limited liability company; or

4212 2. Any of the members' interests in the limited liability
4213 company or the limited liability company's assets are being
4214 acquired or converted, whether by merger, conversion, or
4215 otherwise, pursuant to the appraisal event by a person, or by an
4216 affiliate of a person, who is or at any time in the 1-year
4217 period immediately preceding approval of the appraisal event was
4218 a senior executive of the limited liability company or a senior
4219 executive of any affiliate of the limited liability company, and
4220 that senior executive will receive, as a result of the limited
4221 liability company action, a financial benefit not generally
4222 available to members, other than:

4223 a. Employment, consulting, retirement, or similar benefits
4224 established separately and not as part, or in contemplation, of
4225 the appraisal event;

4226 b. Employment, consulting, retirement, or similar benefits
4227 established in contemplation, or as part, of the appraisal event
4228 which are not more favorable than those existing before the
4229 appraisal event or, if more favorable, which have been approved
4230 by the limited liability company; or

4231 c. In the case of a manager of the limited liability
4232 company who will, during or as the result of the appraisal
4233 event, become a manager, general partner, or director of the
4234 surviving or converted entity or one of its affiliates, those

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4235 rights and benefits as a manager, general partner, or director
4236 which are provided on the same basis as those afforded by the
4237 surviving or converted entity generally to other managers,
4238 general partners, or directors of the surviving or converted
4239 entity or its affiliate.

4240 (e) For the purposes of sub-subparagraph (4) (d)1.a., the
4241 term "beneficial owner" means a person who, directly or
4242 indirectly, through a contract, arrangement, or understanding,
4243 other than a revocable proxy, has or shares the right to vote or
4244 to direct the voting of an interest in a limited liability
4245 company with respect to approval of the appraisal event;
4246 however, a member of a national securities exchange may not be
4247 deemed to be a beneficial owner of an interest in a limited
4248 liability company held directly or indirectly by it on behalf of
4249 another person solely because the member is the record holder of
4250 interests in the limited liability company if the member is
4251 precluded by the rules of such exchange from voting without
4252 instruction on contested matters or matters that may
4253 substantially affect the rights or privileges of the holders of
4254 the interests in the limited liability company to be voted. If
4255 two or more persons agree to act together for the purpose of
4256 voting such interests, each member of the group formed thereby
4257 is deemed to have acquired beneficial ownership, as of the date
4258 of such agreement, of all voting interests in the limited
4259 liability company beneficially owned by a member or members of
4260 the group.

4261 605.1021 Merger authorized.—

4262 (1) By complying with the provisions of ss. 605.1021—

4263 605.1026:

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4264 (a) One or more domestic limited liability companies may
4265 merge with one or more domestic or foreign entities into a
4266 domestic or foreign surviving entity; and
4267 (b) Two or more foreign entities may merge into a domestic
4268 limited liability company.

4269 (2) By complying with the provisions of ss. 605.1021-
4270 605.1026 which are applicable to foreign entities, a foreign
4271 entity may be a party to a merger under the provisions of ss.
4272 605.1021-605.1026 or may be the surviving entity in such a
4273 merger if the merger is authorized by the law of the foreign
4274 entity's jurisdiction of formation.

4275 (3) In the case of a merger involving a limited liability
4276 company that is a not-for-profit company, the surviving limited
4277 liability company or other business entity must also be a not-
4278 for-profit entity.

4279 605.1022 Plan of merger.-

4280 (1) A domestic limited liability company may become a party
4281 to a merger under the provisions of ss. 605.1021-605.1026 by
4282 approving a plan of merger. The plan must be in a record and
4283 contain the following:

4284 (a) As to each merging entity, its name, jurisdiction of
4285 formation, and type of entity.

4286 (b) The surviving entity in the merger.

4287 (c) The manner and basis of converting the interests and
4288 the rights to acquire interests in each party to the merger into
4289 interests, securities, obligations, money, other property,
4290 rights to acquire interests or securities, or any combination of
4291 the foregoing.

4292 (d) If the surviving entity exists before the merger, any

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4293 proposed amendments to or restatements of its public organic
4294 record, or any proposed amendments to or restatements of its
4295 private organic rules, which are or are proposed to be in a
4296 record, and all such amendments or restatements that are
4297 effective at the effective date of the merger.

4298 (e) If the surviving entity is to be created in the merger,
4299 its proposed public organic record and the full text of its
4300 private organic rules that are proposed to be in a record, if
4301 any.

4302 (f) The other terms and conditions of the merger.

4303 (g) Any other provision required by the law of a merging
4304 entity's jurisdiction of formation or the organic rules of a
4305 merging entity.

4306 (2) In addition to the requirements under subsection (1), a
4307 plan of merger may contain any other provision not prohibited by
4308 law.

4309 605.1023 Approval of merger.—

4310 (1) A plan of merger is not effective unless it has been
4311 approved:

4312 (a) With respect to a domestic merging limited liability
4313 company, by a majority-in-interest of the members; and

4314 (b) In a record, by each member of a merging limited
4315 liability company which will have interest holder liability for
4316 debts, obligations, and other liabilities that arise after the
4317 merger becomes effective, unless:

4318 1. The organic rules of the company in a record provide for
4319 the approval of a merger in which some or all of its members
4320 become subject to interest holder liability by the vote or
4321 consent of fewer than all of the members; and

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4322 2. The member consented in a record to or voted for that
4323 provision of the organic rules or became a member after the
4324 adoption of that provision.

4325 (2) A merger involving a domestic merging entity that is
4326 not a limited liability company is not effective unless the
4327 merger is approved by that entity in accordance with its organic
4328 law.

4329 (3) A merger involving a foreign merging entity is not
4330 effective unless the merger is approved by the foreign entity in
4331 accordance with the law of the foreign entity's jurisdiction of
4332 formation.

4333 (4) All members of each domestic limited liability company
4334 that is a party to the merger who have a right to vote upon the
4335 merger must be given written notice of any meeting with respect
4336 to the approval of a plan of merger as provided in subsection
4337 (1) not less than 10 days and not more than 60 days before the
4338 date of the meeting at which the plan of merger is submitted for
4339 approval by the members of such limited liability company. The
4340 notification required under this subsection may be waived in
4341 writing by the person or persons entitled to such notification.

4342 (5) The notification required under subsection (4) must be
4343 in writing and must include the following:

4344 (a) The date, time, and place of the meeting at which the
4345 plan of merger is to be submitted for approval by the members of
4346 the limited liability company.

4347 (b) A copy of the plan of merger.

4348 (c) The statement or statements required under s. 605.1006
4349 and ss. 605.1061-605.1072 regarding the availability of
4350 appraisal rights, if any, to members of the limited liability

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4351 company.

4352 (d) The date on which such notification was mailed or
4353 delivered to the members.

4354 (6) In addition to the requirements under subsection (5),
4355 the notification required under subsection (4) may contain any
4356 other information concerning the plan of merger not prohibited
4357 by applicable law.

4358 (7) The notification required under subsection (4) is
4359 deemed to be given at the earliest date of:

4360 (a) The date such notification is received;

4361 (b) Five days after the date such notification is deposited
4362 in the United States mail addressed to the member at the
4363 member's address as it appears in the books and records of the
4364 limited liability company, with prepaid postage affixed;

4365 (c) The date shown on the return receipt if sent by
4366 registered or certified mail, return receipt requested, and the
4367 receipt is signed by or on behalf of the addressee; or

4368 (d) The date such notification is given in accordance with
4369 the provisions of the organic rules of the limited liability
4370 company.

4371 605.1024 Amendment or abandonment of plan of merger.—

4372 (1) A plan of merger may be amended only with the consent
4373 of each party to the plan except as otherwise provided in the
4374 plan or in the organic rules of each such entity.

4375 (2) A merging limited liability company may approve an
4376 amendment of a plan of merger:

4377 (a) In the same manner that the plan was approved if the
4378 plan does not provide for the manner in which it may be amended;
4379 or

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4380 (b) By the managers or members in the manner provided in
4381 the plan, but a member who was entitled to vote on or consent to
4382 the approval of the merger is entitled to vote on or consent to
4383 an amendment of the plan which will change:

4384 1. The amount or kind of interests, securities,
4385 obligations, money, other property, rights to acquire interests
4386 or securities, or any combination of the foregoing, to be
4387 received by the interest holders of any party to the plan;
4388 2. The public organic record, if any, or private organic
4389 rules of the surviving entity which will be in effect
4390 immediately after the merger becomes effective, except for
4391 changes that do not require approval of the interest holders of
4392 the surviving entity under its organic law or organic rules; or
4393 3. Any other terms or conditions of the plan if the change
4394 would adversely affect the member in any material respect.

4395 (3) After a plan of merger has been approved and before the
4396 articles of merger become effective, the plan may be abandoned
4397 as provided in the plan. Unless prohibited by the plan, a
4398 domestic merging limited liability company may abandon the plan
4399 in the same manner as the plan was approved.

4400 (4) If a plan of merger is abandoned after articles of
4401 merger have been delivered to the department for filing and
4402 before such articles of merger have become effective, a
4403 statement of abandonment, signed by a party to the plan, must be
4404 delivered to the department for filing before the articles of
4405 merger become effective. The statement of abandonment takes
4406 effect on filing, and the merger is abandoned and does not
4407 become effective. The statement of abandonment must contain the
4408 following:

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4409 (a) The name of each party to the plan of merger.

4410 (b) The date on which the articles of merger were delivered
4411 to the department for filing.

4412 (c) A statement that the merger has been abandoned in
4413 accordance with this section.

4414 605.1025 Articles of merger.—

4415 (1) After a plan of merger is approved, articles of merger
4416 must be signed by each merging entity and delivered to the
4417 department for filing.

4418 (2) The articles of merger must contain the following:

4419 (a) The name, jurisdiction of formation, and type of entity
4420 of each merging entity that is not the surviving entity.

4421 (b) The name, jurisdiction of formation, and type of entity
4422 of the surviving entity.

4423 (c) A statement that the merger was approved by each
4424 domestic merging entity that is a limited liability company, if
4425 any, in accordance with the provisions of ss. 605.1021-605.1026;
4426 by each other merging entity, if any, in accordance with the law
4427 of its jurisdiction of formation; and by each member of such
4428 limited liability company who, as a result of the merger, will
4429 have interest holder liability under s. 605.1023(1)(b) and whose
4430 approval is required.

4431 (d) If the surviving entity exists before the merger and is
4432 a domestic filing entity, any amendment to its public organic
4433 record approved as part of the plan of merger.

4434 (e) If the surviving entity is created by the merger and is
4435 a domestic filing entity, its public organic record, as an
4436 attachment.

4437 (f) If the surviving entity is created by the merger and is

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4438 a domestic limited liability partnership or domestic limited
4439 liability limited partnership, its statement of qualification,
4440 as an attachment.

4441 (g) If the surviving entity is a foreign entity that does
4442 not have a certificate of authority to transact business in this
4443 state, a mailing address to which the department may send any
4444 process served on the department pursuant to s. 605.0117 and
4445 chapter 48.

4446 (h) A statement that the surviving entity has agreed to pay
4447 to any members of any limited liability company with appraisal
4448 rights the amount to which such members are entitled under the
4449 provisions of s. 605.1006 and ss. 605.1061-605.1072.

4450 (i) The effective date of the merger if the effective date
4451 of the merger is not the same as the date of filing of the
4452 articles of merger, subject to the limitations contained in s.
4453 605.0207.

4454 (3) In addition to the requirements of subsection (2),
4455 articles of merger may contain any other provision not
4456 prohibited by law.

4457 (4) A merger becomes effective when the articles of merger
4458 become effective, unless the articles of merger specify an
4459 effective time or a delayed effective date that complies with s.
4460 605.0207.

4461 (5) A copy of the articles of merger, certified by the
4462 department, may be filed in the official records of any county
4463 in this state in which any party to the merger holds an interest
4464 in real property.

4465 (6) A limited liability company is not required to deliver
4466 articles of merger for filing pursuant to subsection (1) if the

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4467 limited liability company is named as a merging entity or
4468 surviving entity in articles of merger or a certificate of
4469 merger filed for the same merger in accordance with s. 607.1109,
4470 s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and if such
4471 articles of merger or certificate of merger substantially comply
4472 with the requirements of this section. In such a case, the other
4473 articles of merger or certificate of merger may also be used for
4474 purposes of subsection (5).

4475 605.1026 Effect of merger.—

4476 (1) When a merger becomes effective:

4477 (a) The surviving entity continues in existence;

4478 (b) Each merging entity that is not the surviving entity
4479 ceases to exist;

4480 (c) All property of each merging entity vests in the
4481 surviving entity without transfer, reversion or impairment;

4482 (d) All debts, obligations, and other liabilities of each
4483 merging entity are debts, obligations, and other liabilities of
4484 the surviving entity;

4485 (e) Except as otherwise provided by law or the plan of
4486 merger, all the rights, privileges, immunities, powers, and
4487 purposes of each merging entity vest in the surviving entity;

4488 (f) If the surviving entity exists before the merger:

4489 1. All its property continues to be vested in it without
4490 transfer, reversion, or impairment;

4491 2. It remains subject to all of its debts, obligations, and
4492 other liabilities; and

4493 3. All of its rights, privileges, immunities, powers, and
4494 purposes continue to be vested in it;

4495 (g) The name of the surviving entity may be substituted for

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4496 the name of any merging entity that is a party to any pending
4497 action or proceeding;

4498 (h) If the surviving entity exists before the merger:

4499 1. Its public organic record, if any, is amended as
4500 provided in the articles of merger; and

4501 2. Its private organic rules that are to be in a record, if
4502 any, are amended to the extent provided in the plan of merger;

4503 (i) If the surviving entity is created by the merger:

4504 1. Its public organic record, if any, is effective; and

4505 2. Its private organic rules are effective; and

4506 (j) The interests or rights to acquire interests in each
4507 merging entity which are to be converted in the merger are
4508 converted, and the interest holders of those interests are
4509 entitled only to the rights provided to them under the plan of
4510 merger and to any appraisal rights they have under s. 605.1006
4511 and ss. 605.1061-605.1072 and the merging entity's organic law.

4512 (2) Except as otherwise provided in the organic law or
4513 organic rules of a merging entity:

4514 (a) The merger does not give rise to any rights that an
4515 interest holder, governor, or third party would have upon a
4516 dissolution, liquidation, or winding up of the merging entity;
4517 and

4518 (b) The merging entity is not required to wind up its
4519 affairs, pay its liabilities, and distribute its assets under
4520 ss. 605.0701-605.0717, and the merger shall not constitute a
4521 dissolution of the merging entity.

4522 (3) When a merger becomes effective, a person who did not
4523 have interest holder liability with respect to any of the
4524 merging entities and becomes subject to interest holder

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liability with respect to a domestic entity as a result of the merger will have interest holder liability only to the extent provided by the organic law of that entity and only for those debts, obligations, and other liabilities that arise after the merger becomes effective.

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

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

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

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

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

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4554 (6) When a merger becomes effective, the certificate of
4555 authority to transact business in this state of any foreign
4556 merging entity that is not the surviving entity is canceled.

4557 605.1031 Interest exchange authorized.—

4558 (1) By complying with the provisions of ss. 605.1031-
4559 605.1036:

4560 (a) A domestic limited liability company may acquire all of
4561 one or more classes or series of interests of another domestic
4562 or foreign entity, or rights to acquire one or more classes or
4563 series of any such interests, in exchange for interests,
4564 securities, obligations, money, other property, rights to
4565 acquire interests or securities, or any combination of the
4566 foregoing; or

4567 (b) All of one or more classes or series of interests of a
4568 domestic limited liability company or rights to acquire one or
4569 more classes or series of any such interests may be acquired by
4570 another domestic or foreign entity in exchange for interests,
4571 securities, obligations, money, other property, rights to
4572 acquire interests or securities, or any combination of the
4573 foregoing.

4574 (2) By complying with the provisions of ss. 605.1031-
4575 605.1036 which are applicable to foreign entities, a foreign
4576 entity may be the acquiring or acquired entity in an interest
4577 exchange completed under the provisions of ss. 605.1031-605.1036
4578 if the interest exchange is authorized by the organic law in the
4579 foreign entity's jurisdiction of formation.

4580 (3) If a protected agreement contains a provision that
4581 applies to a merger of a domestic limited liability company but
4582 does not refer to an interest exchange, the provision applies to

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4583 an interest exchange in which the domestic limited liability
4584 company is the acquired entity as if the interest exchange were
4585 a merger until the provision is amended after January 1, 2014.

4586 605.1032 Plan of interest exchange.—

4587 (1) A domestic limited liability company may be the
4588 acquired entity in an interest exchange under the provisions of
4589 ss. 605.1031-605.1036 by approving a plan of interest exchange.

4590 The plan must be in a record and contain the following:

4591 (a) The name of the acquired entity.

4592 (b) The name, jurisdiction of formation, and type of entity
4593 of the acquiring entity.

4594 (c) The manner and basis of converting the interests and
4595 the rights to acquire interests of the members of each limited
4596 liability company that is to be an acquired entity into
4597 interests, securities, obligations, money, other property,
4598 rights to acquire interests or securities, or any combination of
4599 the foregoing.

4600 (d) If the acquired entity is a domestic limited liability
4601 company, any proposed amendments to or restatements of its
4602 public organic record or any amendments to or restatements of
4603 its private organic rules that are or are proposed to be in a
4604 record and all such amendments or restatements are effective at
4605 the effective date of the interest exchange.

4606 (e) The other terms and conditions of the interest
4607 exchange.

4608 (f) Any other provision required by the law of an acquired
4609 entity's jurisdiction of formation, the organic rules of the
4610 acquired entity, the organic rules of an acquiring entity, or
4611 the law of the jurisdiction of formation of the acquiring

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4612 entity.

4613 (2) In addition to the requirements of subsection (1), a
4614 plan of interest exchange may contain any other provision not
4615 prohibited by law.

4616 605.1033 Approval of interest exchange.—

4617 (1) A plan of interest exchange is not effective unless it
4618 has been approved:

4619 (a) With respect to a domestic limited liability company
4620 that is the acquired entity in the interest exchange, by a
4621 majority-in-interest of the members of such company; and

4622 (b) In a record, by each member of the domestic acquired
4623 limited liability company that will have interest holder
4624 liability for debts, obligations, and other liabilities that
4625 arise after the interest exchange becomes effective, unless:

4626 1. The organic rules of the company in a record provide for
4627 the approval of an interest exchange or a merger in which some
4628 or all of its members become subject to interest holder
4629 liability by the vote or consent of fewer than all the members;
4630 and

4631 2. The member consented in a record to or voted for that
4632 provision of the organic rules or became a member after the
4633 adoption of that provision.

4634 (2) An interest exchange involving a domestic acquired
4635 entity that is not a limited liability company is not effective
4636 unless it is approved by the domestic entity in accordance with
4637 its organic law.

4638 (3) An interest exchange involving a foreign acquired
4639 entity is not effective unless it is approved by the foreign
4640 entity in accordance with the law of the foreign entity's

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4641 jurisdiction of formation.

4642 (4) Except as otherwise provided in its organic law or
4643 organic rules, the interest holders of the acquiring entity are
4644 not required to approve the interest exchange.

4645 (5) All members of each domestic limited liability company
4646 that is a party to the interest exchange and who have a right to
4647 vote upon the interest exchange must be given written notice of
4648 any meeting with respect to the approval of a plan of interest
4649 exchange as provided in subsection (1) not less than 10 days and
4650 not more than 60 days before the date of the meeting at which
4651 the plan of interest exchange is submitted for approval by the
4652 members of such limited liability company. The notification
4653 required under this subsection may be waived in writing by the
4654 person entitled to such notification.

4655 (6) The notification required under subsection (5) must be
4656 in writing and must include the following:

4657 (a) The date, time, and place of the meeting at which the
4658 plan of interest exchange is to be submitted for approval by the
4659 members of the limited liability company.

4660 (b) A copy of the plan of interest exchange.

4661 (c) The statement or statements required under s. 605.1006
4662 and ss. 605.1061-605.1072 regarding the availability of
4663 appraisal rights, if any, to members of the limited liability
4664 company.

4665 (d) The date on which such notification was mailed or
4666 delivered to the members.

4667 (7) In addition to the requirements of subsection (6), the
4668 notification required under subsection (5) may contain any other
4669 information concerning the plan of interest exchange not

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4670 prohibited by applicable law.

4671 (8) The notification required under subsection (5) is
4672 deemed to be given at the earliest date of:

4673 (a) The date the notification is received;

4674 (b) Five days after the date such notification is deposited
4675 in the United States mail addressed to the member at the
4676 member's address as it appears in the books and records of the
4677 limited liability company, with prepaid postage affixed;

4678 (c) The date shown on the return receipt, if sent by
4679 registered or certified mail, return receipt requested, and if
4680 the receipt is signed by or on behalf of the addressee; or

4681 (d) The date such notification is given in accordance with
4682 the provisions of the organic rules of the limited liability
4683 company.

4684 605.1034 Amendment or abandonment of plan of interest
4685 exchange.—

4686 (1) A plan of interest exchange may be amended only with
4687 the consent of each party to the plan, except as otherwise
4688 provided in the plan or in the organic rules of each such
4689 entity.

4690 (2) A domestic acquired limited liability company may
4691 approve an amendment of a plan of interest exchange:

4692 (a) In the same manner as the plan was approved, if the
4693 plan does not provide for the manner in which it may be amended;
4694 or

4695 (b) By the managers or members in the manner provided in
4696 the plan, but a member who was entitled to vote on or consent to
4697 approval of the interest exchange is entitled to vote on or
4698 consent to any amendment of the plan which will change:

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4699 1. The amount or kind of interests, securities,
4700 obligations, money, other property, rights to acquire interests
4701 or securities, or any combination of the foregoing, to be
4702 received by the interest holders of any party to the plan;
4703 2. The public organic record, if any, or private organic
4704 rules of the acquired entity which will be in effect immediately
4705 after the interest exchange becomes effective, except for
4706 changes that do not require approval of the interest holders of
4707 the acquired entity under its organic law or organic rules; or
4708 3. Any other terms or conditions of the plan, if the change
4709 would adversely affect the member in any material respect.
4710 (3) After a plan of interest exchange has been approved and
4711 before such articles of interest exchange become effective, the
4712 plan may be abandoned as provided in the plan. Unless prohibited
4713 by the plan, a domestic limited liability company may abandon
4714 the plan in the same manner as the plan was approved.
4715 (4) If a plan of interest exchange is abandoned after
4716 articles of interest exchange have been delivered to the
4717 department for filing and before such articles of interest
4718 exchange have become effective, a statement of abandonment,
4719 signed by a party to the plan, must be delivered to the
4720 department for filing before the articles of interest exchange
4721 become effective. The statement of abandonment takes effect on
4722 filings, and the interest exchange is abandoned and does not
4723 become effective. The statement of abandonment must contain the
4724 following:
4725 (a) The name of each party to the plan of interest
4726 exchange.
4727 (b) The date on which the articles of interest exchange

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4728 were delivered to the department for filing.

4729 (c) A statement that the interest exchange has been
4730 abandoned in accordance with this section.

4731 605.1035 Articles of interest exchange.—

4732 (1) After a plan of interest exchange has been approved,
4733 articles of interest exchange must be signed by each party to
4734 the interest exchange and delivered to the department for
4735 filings.

4736 (2) The articles of interest exchange must contain the
4737 following:

4738 (a) The name of the acquired limited liability company.

4739 (b) The name, jurisdiction of formation, and type of entity
4740 of the acquiring entity.

4741 (c) A statement that the plan of interest exchange was
4742 approved by the acquired limited liability entity in accordance
4743 with the provisions of ss. 605.1031-605.1036 and by each member
4744 of such limited liability company who, as a result of the
4745 interest exchange, will have interest holder liability under s.
4746 605.1033(1)(b) and whose approval is required.

4747 (d) Any amendments to the acquired limited liability
4748 company's public organic record approved as part of the plan of
4749 interest exchange.

4750 (e) A statement that the plan of interest exchange was
4751 approved by each acquiring entity that is a party to the
4752 interest exchange in accordance with the organic laws in its
4753 jurisdiction of formation, or if such approval was not required,
4754 a statement to that effect.

4755 (f) A statement that the acquiring entity has agreed to pay
4756 to any members of the acquired entity with appraisal rights the

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amount to which such members are entitled under s. 605.1006 and ss. 605.1061-605.1072.

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

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

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

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

605.1036 Effect of interest exchange.—

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

(a) The interests in a domestic company which are the subject of the interest exchange cease to exist or are converted or exchanged, and the members holding those interests are entitled only to the rights provided to them under the plan of interest exchange and to any appraisal rights they have under s.

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4786 605.1006 and ss. 605.1061-605.1072;

4787 (b) The acquiring entity becomes the interest holder of the
4788 interests in the acquired entity stated in the plan of interest
4789 exchange to be acquired by the acquiring entity;

4790 (c) The public organic record of the acquired entity is
4791 amended as provided in the articles of interest exchange; and

4792 (d) The provisions of the private organic rules of the
4793 acquired entity that are to be in a record, if any, are amended
4794 to the extent provided in the plan of interest exchange.

4795 (2) Except as otherwise provided in the organic rules of
4796 the acquired limited liability company, the interest exchange
4797 does not give rise to any rights that a member, manager, or
4798 third party would have upon a dissolution, liquidation, or
4799 winding up of the acquired entity.

4800 (3) When an interest exchange becomes effective, a person
4801 who did not have interest holder liability with respect to a
4802 domestic acquired limited liability company and who becomes
4803 subject to interest holder liability with respect to a domestic
4804 entity as a result of the interest exchange will have interest
4805 holder liability only to the extent provided by the organic law
4806 of the entity and only for those debts, obligations, and other
4807 liabilities that arise after the interest exchange becomes
4808 effective.

4809 (4) When an interest exchange becomes effective, the
4810 interest holder liability of a person who ceases to hold an
4811 interest in a domestic acquired limited liability company with
4812 respect to which the person had interest holder liability is as
4813 follows:

4814 (a) The interest exchange does not discharge any interest

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holder liability to the extent the interest holder liability arose before the interest exchange became effective.

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

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

605.1041 Conversion authorized.—

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

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

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

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

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

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4844 (4) If a protected agreement contains a provision that
4845 applies to a merger of a domestic limited liability company but
4846 does not refer to a conversion, the provision applies to a
4847 conversion of the entity as if the conversion were a merger
4848 until the provision is amended after January 1, 2014.

4849 605.1042 Plan of conversion.—

4850 (1) A domestic limited liability company may convert into a
4851 different type of domestic entity or into a foreign entity that
4852 is a foreign limited liability company or a different type of
4853 foreign entity by approving a plan of conversion. The plan must
4854 be in a record and contain the following:

4855 (a) The name of the converting limited liability company.

4856 (b) The name, jurisdiction of formation, and type of entity
4857 of the converted entity.

4858 (c) The manner and basis of converting the interests and
4859 rights to acquire interests in the converting limited liability
4860 company into interests, securities, obligations, money, other
4861 property, rights to acquire interests or securities, or any
4862 combination of the foregoing.

4863 (d) The proposed public organic record of the converted
4864 entity, if it will be a filing entity.

4865 (e) The full text of the private organic rules of the
4866 converted entity which are proposed to be in a record, if any.

4867 (f) Any other provision required by the law of this state
4868 or the organic rules of the converted limited liability company,
4869 if the entity is to be an entity other than a domestic limited
4870 liability company.

4871 (g) All other statements required to be set forth in a plan
4872 of conversion by the law of the jurisdiction of formation of the

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4873 converted entity following the conversion.

4874 (2) In addition to the requirements of subsection (1), a
4875 plan of conversion may contain any other provision not
4876 prohibited by law.

4877 605.1043 Approval of conversion.—

4878 (1) A plan of conversion is not effective unless it has
4879 been approved:

4880 (a) If the converting entity is a domestic limited
4881 liability company, by a majority-in-interest of the members of
4882 such company who have a right to vote upon the conversion; and

4883 (b) In a record, by each member of a converting limited
4884 liability company which will have interest holder liability for
4885 debts, obligations, and other liabilities that arise after the
4886 conversion becomes effective, unless:

4887 1. The organic rules of the company in a record provide for
4888 the approval of a conversion in which some or all of its members
4889 become subject to interest holder liability by the vote or
4890 consent of less than all of the members; and

4891 2. The member consented in a record to or voted for that
4892 provision of the organic rules or became a member after the
4893 adoption of that provision.

4894 (2) A conversion involving a domestic converting entity
4895 that is not a limited liability company is not effective unless
4896 it is approved by the domestic converting entity in accordance
4897 with its organic law.

4898 (3) A conversion of a foreign converting entity is not
4899 effective unless it is approved by the foreign entity in
4900 accordance with the law of the foreign entity's jurisdiction of
4901 formation.

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4902 (4) If the converting entity is a domestic limited
4903 liability company, all members of the company who have the right
4904 to vote upon the conversion must be given written notice of a
4905 meeting with respect to the approval of a plan of conversion as
4906 provided in subsection (1) not less than 10 days and not more
4907 than 60 days before the date of the meeting at which the plan of
4908 conversion is submitted for approval by the members of such
4909 limited liability company. The notification required under this
4910 subsection may be waived in writing by the person or persons
4911 entitled to such notification.

4912 (5) The notification required under subsection (4) must be
4913 in writing and include the following:

4914 (a) The date, time, and place of the meeting at which the
4915 plan of conversion is to be submitted for approval by the
4916 members of the limited liability company.

4917 (b) A copy of the plan of conversion.

4918 (c) The statement or statements required under s. 605.1006
4919 and ss. 605.1061-605.1072 regarding the availability of
4920 appraisal rights, if any, to members of the limited liability
4921 company.

4922 (d) The date on which such notification was mailed or
4923 delivered to the members.

4924 (6) In addition to the requirements of subsection (5), the
4925 notification required under subsection (4) may contain any other
4926 information concerning the plan of conversion not prohibited by
4927 applicable law.

4928 (7) The notification required under subsection (4) is
4929 deemed to be given at the earliest date of:

4930 (a) The date the notification is received;

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4931 (b) Five days after the date the notification is deposited
4932 in the United States mail addressed to the member at the
4933 member's address as it appears in the books and records of the
4934 limited liability company, with prepaid postage affixed;
4935 (c) The date shown on the return receipt, if sent by
4936 registered or certified mail, return receipt requested, and if
4937 the receipt is signed by or on behalf of the addressee; or
4938 (d) The date the notification is given in accordance with
4939 the organic rules of the limited liability company.

4940 605.1044 Amendment or abandonment of plan of conversion.—

4941 (1) A plan of conversion of a domestic converting limited
4942 liability company may be amended:

4943 (a) In the same manner as the plan was approved, if the
4944 plan does not provide for the manner in which it may be amended;
4945 or

4946 (b) By the managers or members of the entity in the manner
4947 provided in the plan, but a member who was entitled to vote on
4948 or consent to approval of the conversion is entitled to vote on
4949 or consent to an amendment of the plan which will change:

4950 1. The amount or kind of interests, securities,
4951 obligations, money, other property, rights to acquire interests
4952 or securities, or any combination of the foregoing, to be
4953 received by the interest holders of the converting entity under
4954 the plan;

4955 2. The public organic record, if any, or private organic
4956 rules of the converted entity which will be in effect
4957 immediately after the conversion becomes effective, except for
4958 changes that do not require approval of the interest holders of
4959 the converting entity under its organic law or organic rules; or

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4960 3. Any other terms or conditions of the plan, if the change
4961 would adversely affect the interest holder in any material
4962 respect.

4963 (2) After a plan of conversion has been approved and before
4964 the articles of conversion become effective, the plan may be
4965 abandoned as provided in the plan. Unless prohibited by the
4966 plan, a domestic converting limited liability company may
4967 abandon the plan in the same manner as the plan was approved.

4968 (3) If a plan of conversion is abandoned after articles of
4969 conversion have been delivered to the department for filing and
4970 before such articles of conversion have become effective, a
4971 statement of abandonment, signed by the converting entity, must
4972 be delivered to the department for filing before the articles of
4973 conversion become effective. The statement of abandonment takes
4974 effect on filing, and the conversion is abandoned and does not
4975 become effective. The statement of abandonment must contain the
4976 following:

4977 (a) The name of the converting limited liability company.
4978 (b) The date on which the articles of conversion were
4979 delivered to the department for filing.

4980 (c) A statement that the conversion has been abandoned in
4981 accordance with this section.

4982 605.1045 Articles of conversion.—

4983 (1) After a plan of conversion is approved, articles of
4984 conversion signed by the converting entity must be delivered to
4985 the department for filing.

4986 (2) The articles of conversion must contain the following:
4987 (a) The name, jurisdiction of formation, and type of entity
4988 of the converting entity.

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4989 (b) The name, jurisdiction of formation, and type of entity
4990 of the converted entity.

4991 (c) If the converting entity is a domestic limited
4992 liability company, a statement that the plan of conversion has
4993 been approved in accordance with ss. 605.1041-605.1046, or if
4994 the converting entity is a foreign entity, a statement that the
4995 conversion was approved by the foreign converting entity in
4996 accordance with the law of its jurisdiction of formation and by
4997 each member of the converting entity who as a result of the
4998 conversion will have interest holder liability under s.
4999 605.1043(1)(b) and whose approval is required.

5000 (d) If the converted entity is a domestic filing entity,
5001 the text of its public organic record, as an attachment.

5002 (e) If the converted entity is a domestic limited liability
5003 partnership, the text of its statement of qualification, as an
5004 attachment.

5005 (f) If the converted entity is a foreign entity that does
5006 not have a certificate of authority to transact business in this
5007 state, a mailing address to which the department may send any
5008 process served on the department pursuant to s. 605.0117 and
5009 chapter 48.

5010 (g) A statement that the converted entity has agreed to pay
5011 to the members of any limited liability company with appraisal
5012 rights the amount to which such members are entitled under s.
5013 605.1006 and ss. 605.1061-605.1072.

5014 (h) The effective date of the conversion, if the effective
5015 date of the conversion is not the same as the date of filing of
5016 the articles of conversion, subject to the limitations contained
5017 in s. 605.0207.

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5018 (3) In addition to the requirements of subsection (2),
5019 articles of conversion may contain any other provision not
5020 prohibited by law.

5021 (4) A conversion becomes effective when the articles of
5022 conversion become effective, unless the articles of conversion
5023 specify an effective time or a delayed effective date that
5024 complies with s. 605.0207.

5025 (5) A copy of the articles of conversion, certified by the
5026 department, may be filed in the official records of any county
5027 in this state in which the converted entity holds an interest in
5028 real property.

5029 605.1046 Effect of conversion.—

5030 (1) When a conversion in which the converted entity is a
5031 domestic limited liability company becomes effective:

5032 (a) The converted entity is:

5033 1. Organized under and subject to this chapter; and

5034 2. The same entity, without interruption, as the converting
5035 entity.

5036 (b) All property of the converting entity continues to be
5037 vested in the converted entity without transfer, reversion, or
5038 impairment;

5039 (c) All debts, obligations, and other liabilities of the
5040 converting entity continue as debts, obligations, and other
5041 liabilities of the converted entity;

5042 (d) Except as otherwise provided by law or the plan of
5043 conversion, all the rights, privileges, immunities, powers, and
5044 purposes of the converting entity remain in the converted
5045 entity;

5046 (e) The name of the converted entity may be substituted for

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5047 the name of the converting entity in any pending action or
5048 proceeding;

5049 (f) The provisions of the organic rules of the converted
5050 entity which are to be in a record, if any, approved as part of
5051 the plan of conversion are effective; and

5052 (g) The interests or rights to acquire interests in the
5053 converting entity are converted, and the interest holders of the
5054 converting entity are entitled only to the rights provided to
5055 them under the plan of conversion and to any appraisal rights
5056 they have under s. 605.1006 and ss. 605.1061-605.1072 and the
5057 converting entity's organic law.

5058 (2) Except as otherwise provided in the private organic
5059 rules of a domestic converting limited liability company, the
5060 conversion does not give rise to any rights that a member,
5061 manager, or third party would otherwise have upon a dissolution,
5062 liquidation, or winding up of the converting entity.

5063 (3) When a conversion becomes effective, a person who did
5064 not have interest holder liability with respect to the
5065 converting entity and becomes subject to interest holder
5066 liability with respect to a domestic entity as a result of the
5067 conversion has interest holder liability only to the extent
5068 provided by the organic law of the entity and only for those
5069 debts, obligations, and other liabilities that arise after the
5070 conversion becomes effective.

5071 (4) When a conversion becomes effective, the interest
5072 holder liability of a person who ceases to hold an interest in a
5073 domestic limited liability company with respect to which the
5074 person had interest holder liability is as follows:

5075 (a) The conversion does not discharge interest holder

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5076 liability to the extent the interest holder liability arose
5077 before the conversion became effective.

5078 (b) The person does not have interest holder liability for
5079 any debt, obligation, or other liability that arises after the
5080 conversion becomes effective.

5081 (c) The organic law of the jurisdiction of formation of the
5082 converting limited liability company and the rights of
5083 contribution provided under such law, or the organic rules of
5084 the converting limited liability company, continue to apply to
5085 the release, collection, or discharge of any interest holder
5086 liability preserved under paragraph (a) as if the conversion had
5087 not occurred.

5088 (5) When a conversion becomes effective, a foreign entity
5089 that is the converted entity may be served with process in this
5090 state for the collection and enforcement of its debts,
5091 obligations, and liabilities as provided in s. 605.0117 and
5092 chapter 48.

5093 (6) If the converting entity is a registered foreign
5094 entity, the certificate of authority to conduct business in this
5095 state of the converting entity is canceled when the conversion
5096 becomes effective.

5097 (7) A conversion does not require the entity to wind up its
5098 affairs and does not constitute or cause the dissolution of the
5099 entity.

5100 605.1051 Domestication authorized.—By complying with ss.
5101 605.1051-605.1056, a non-United States entity may become a
5102 domestic limited liability company if the domestication is
5103 authorized under the organic law of the non-United States
5104 entity's jurisdiction of formation.

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605.1052 Plan of domestication.—

(1) A non-United States entity may become a domestic limited liability company by approving a plan of domestication. The plan of domestication must be in a record and contain the following:

(a) The name and jurisdiction of formation of the domesticating entity.

(b) If applicable, the manner and basis of converting the interests and rights to acquire interests in the domesticating entity into interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing.

(c) The proposed public organic record of the domesticating entity in this state.

(d) The full text of the proposed private organic rules of the domesticated entity that are to be in a record, if any.

(e) Any other provision required by the law of the jurisdiction of formation of the domesticating entity or the organic rules of the domesticating entity.

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

605.1053 Approval of domestication.—A plan of domestication of a domesticating entity shall be approved:

(1) In accordance with the organic law of the domesticating entity's jurisdiction of formation; and

(2) In a record, by each of the domesticating entity's owners who will have interest holder liability for debts, obligations, and other liabilities that arise after the

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5134 domestication becomes effective, unless:

5135 (a) The organic rules of the domesticating entity in a
5136 record provide for the approval of a domestication in which some
5137 or all of the persons who are its owners become subject to
5138 interest holder liability by the vote or consent of fewer than
5139 all of the persons who are its owners; and

5140 (b) The person who will be a member of the domesticated
5141 limited liability company consented in a record to or voted for
5142 that provision of the organic rules of the domesticating entity
5143 or became an owner of the domesticating entity after the
5144 adoption of that provision.

5145 605.1054 Amendment or abandonment of plan of
5146 domestication.—

5147 (1) A plan of domestication of a domesticating entity may
5148 be amended:

5149 (a) In the same manner as the plan was approved if the plan
5150 does not provide for the manner in which it may be amended; or

5151 (b) By the interest holders of the domesticating entity in
5152 the manner provided in the plan, but an owner who was entitled
5153 to vote on or consent to approval of the domestication is
5154 entitled to vote on or consent to any amendment of the plan that
5155 will change:

5156 1. If applicable, the amount or kind of interests,
5157 securities, obligations, money, other property, rights to
5158 acquire interests or securities, or any combination of the
5159 foregoing, to be received by the interest holders of the
5160 domesticating entity under the plan;

5161 2. The public organic record, if any, or private organic
5162 rules of the domesticated limited liability company which will

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5163 be in effect immediately after the domestication becomes
5164 effective except for changes that do not require approval of the
5165 interest holders of the domesticating entity under its organic
5166 law or organic rules; or

5167 3. Any other terms or conditions of the plan, if the change
5168 would adversely affect the interest holder in any material
5169 respect.

5170 (2) After a plan of domestication has been approved and
5171 before the articles of domestication become effective, the plan
5172 may be abandoned as provided in the plan. Unless prohibited by
5173 the plan, the domesticating entity may abandon the plan in the
5174 same manner as the plan was approved.

5175 (3) If a plan of domestication is abandoned after articles
5176 of domestication have been delivered to the department for
5177 filings and before such articles of domestication have become
5178 effective, a statement of abandonment, signed by the
5179 domesticating entity, must be delivered to the department for
5180 filings before the articles of domestication become effective.
5181 The statement of abandonment takes effect on filing, and the
5182 domestication is abandoned and does not become effective. The
5183 statement of abandonment must contain the following:

5184 (a) The name of the domesticating entity.
5185 (b) The date on which the articles of domestication were
5186 delivered to the department for filing.
5187 (c) A statement that the domestication has been abandoned
5188 in accordance with this section.

5189 605.1055 Articles of domestication.—

5190 (1) The articles of domestication must be filed with the
5191 department. The articles of domestication must contain the

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5192 following:

5193 (a) The date on which the domesticating entity was first
5194 formed, incorporated, created, or otherwise came into being.

5195 (b) The name of the domesticating entity immediately before
5196 the filing of the articles of domestication.

5197 (c) The articles of organization of the domesticated
5198 limited liability company, as an attachment.

5199 (d) The effective date of the domestication as a limited
5200 liability company, if the effective date of the domestication is
5201 not the same as the date of filing of the articles of
5202 domestication, subject to the limitations contained in s.

5203 605.0207.

5204 (e) The jurisdiction that constituted the seat, siege
5205 social, or principal place of business or central administration
5206 of the domesticating entity, or any other equivalent thereto
5207 under the law of the jurisdiction of formation, immediately
5208 before the filing of the articles of domestication.

5209 (f) A statement that the domestication has been approved in
5210 accordance with the laws of the jurisdiction of formation of the
5211 domesticating entity.

5212 (2) In addition to the requirements of subsection (1),
5213 articles of domestication may contain any other provision not
5214 prohibited by law.

5215 (3) The articles of domestication which are filed with the
5216 department must be accompanied by a certificate of status or
5217 equivalent document, if any, from the domesticating entity's
5218 jurisdiction of formation.

5219 (4) The articles of domestication and the articles of
5220 organization of a domesticated limited liability company must

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5221 satisfy the requirements of the law of this state, and may be
5222 executed by an authorized representative and registered agent in
5223 accordance with this chapter.

5224 605.1056 Effect of domestication.-

5225 (1) When a domestication becomes effective:

5226 (a) The domesticated limited liability company is:

5227 1. Organized under and subject to the organic law of this
5228 state; and

5229 2. The same entity, without interruption, as the
5230 domesticating entity;

5231 (b) All property of the domesticating entity continues to
5232 be vested in the domesticated limited liability company without
5233 transfer, reversion, or impairment;

5234 (c) All debts, obligations, and other liabilities of the
5235 domesticating entity continue as debts, obligations, and other
5236 liabilities of the domesticated limited liability company;

5237 (d) Except as otherwise provided by law or the plan of
5238 domestication, all the rights, privileges, immunities, powers,
5239 and purposes of the domesticating entity remain in the
5240 domesticated limited liability company;

5241 (e) The name of the domesticated limited liability company
5242 may be substituted for the name of the domesticating entity in
5243 any pending action or proceeding;

5244 (f) The articles of organization of the domesticated
5245 limited liability company are effective;

5246 (g) The provisions of the private organic rules of the
5247 domesticated limited liability company which are to be in a
5248 record, if any, approved as part of the plan of domestication
5249 are effective; and

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5250 (h) The interests in the domesticating entity are converted
5251 to the extent and as approved in connection with the
5252 domestication, and the interest holders of the domesticating
5253 entity are entitled only to the rights provided to them under
5254 the plan of domestication.

5255 (2) Except as otherwise provided in the organic law or
5256 organic rules of the domesticating entity, the domestication
5257 does not give rise to any rights that an interest holder or
5258 third party would otherwise have upon a dissolution,
5259 liquidation, or winding up of the domesticating entity.

5260 (3) When a domestication becomes effective, a person who
5261 did not have interest holder liability with respect to the
5262 domesticating entity and becomes subject to interest holder
5263 liability with respect to the domesticated limited liability
5264 company as a result of the domestication has interest holder
5265 liability only to the extent provided by the organic law of the
5266 domesticating entity and only for those debts, obligations, and
5267 other liabilities that arise after the domestication becomes
5268 effective.

5269 (4) When a domestication becomes effective, the interest
5270 holder liability of a person who ceases to hold an interest in a
5271 domestic limited liability company with respect to which the
5272 person had interest holder liability is as follows:

5273 (a) The domestication does not discharge any interest
5274 holder liability under this chapter to the extent the interest
5275 holder liability arose before the domestication became
5276 effective;

5277 (b) A person does not have interest holder liability under
5278 this chapter for any debt, obligation, or other liability that

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5279 arises after the domestication becomes effective; and

5280 (c) The organic law of the jurisdiction of formation of the
5281 domesticating entity and any rights of contribution provided
5282 under such law, or the organic rules of the domesticating
5283 entity, continue to apply to the release, collection, or
5284 discharge of any interest holder liability preserved under
5285 paragraph (a) as if the domestication had not occurred.

5286 (5) When a domestication becomes effective, a domesticating
5287 entity that has become the domesticated limited liability
5288 company may be served with process in this state for the
5289 collection and enforcement of its debts, obligations, and
5290 liabilities as provided in s. 605.0117 and chapter 48.

5291 (6) If the domesticating entity is qualified to transact
5292 business in this state, the certificate of authority of the
5293 domesticating entity is canceled when the domestication becomes
5294 effective.

5295 (7) A domestication does not require the domesticating
5296 entity to wind up its affairs and does not constitute or cause
5297 the dissolution of the domesticating entity.

5298 605.1061 Appraisal rights; definitions.—The following
5299 definitions apply to s. 605.1006 and to ss. 605.1061-605.1072:

5300 (1) "Accrued interest" means interest from the effective
5301 date of the appraisal event to which the member objects until
5302 the date of payment, at the rate of interest determined for
5303 judgments in accordance with s. 55.03, determined as of the
5304 effective date of the appraisal event.

5305 (2) "Affiliate" means a person who directly or indirectly,
5306 through one or more intermediaries, controls, is controlled by,
5307 or is under common control with another person or is a senior

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5308 executive thereof. For purposes of s. 605.1006(4)(d), a person
5309 is deemed to be an affiliate of its senior executives.

5310 (3) "Appraisal event" means an event described in s.
5311 605.1006(1).

5312 (4) "Beneficial member" means a person who is the
5313 beneficial owner of a membership interest held in a voting trust
5314 or by a nominee on the beneficial owner's behalf.

5315 (5) "Fair value" means the value of the member's membership
5316 interest determined:

5317 (a) Immediately before the effectuation of the appraisal
5318 event to which the member objects;

5319 (b) Using customary and current valuation concepts and
5320 techniques generally employed for similar businesses in the
5321 context of the transaction requiring appraisal, excluding any
5322 appreciation or depreciation in anticipation of the transaction
5323 to which the member objects, unless exclusion would be
5324 inequitable to the limited liability company and its remaining
5325 members; and

5326 (c) Without discounting for lack of marketability or
5327 minority status.

5328 (6) "Limited liability company" means the limited liability
5329 company that issued the membership interest held by a member
5330 demanding appraisal and, for matters covered in ss. 605.1061-
5331 605.1072, includes the converted entity in a conversion or the
5332 surviving entity in a merger.

5333 (7) "Member" means a record member or a beneficial member.

5334 (8) "Membership interest" means a member's transferable
5335 interest and all other rights as a member of the limited
5336 liability company that issued the membership interest, including

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5337 voting rights, management rights, or other rights under this
5338 chapter or the organic rules of the limited liability company
5339 except, if the appraisal rights of a member under s. 605.1006
5340 pertain to only a certain class or series of a membership
5341 interest, the term "membership interest" means only the
5342 membership interest pertaining to such class or series.

5343 (9) "Record member" means each person who is identified as
5344 a member in the current list of members maintained for purposes
5345 of s. 605.1006 by the limited liability company, or to the
5346 extent the limited liability company has failed to maintain a
5347 current list, each person who is the rightful owner of a
5348 membership interest in the limited liability company. A
5349 transferee of a membership interest who has not been admitted as
5350 a member is not a record member.

5351 (10) "Senior executive" means a manager in a manager-
5352 managed limited liability company; a member in a member-managed
5353 limited liability company; or the chief executive officer, chief
5354 operating officer, chief financial officer, or president or any
5355 other person in charge of a principal business unit or function
5356 of a limited liability company, in charge of a manager in a
5357 manager-managed limited liability company, or in charge of a
5358 member in a member-managed limited liability company.

5359 605.1062 Assertion of rights by nominees and beneficial
5360 owners.—

5361 (1) A record member may assert appraisal rights as to less
5362 than all the membership interests registered in the record
5363 member's name which are owned by a beneficial member only if the
5364 record member objects with respect to all membership interests
5365 of the class or series owned by that beneficial member and

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5366 notifies the limited liability company in writing of the name
5367 and address of each beneficial member on whose behalf appraisal
5368 rights are being asserted. The rights of a record member who
5369 asserts appraisal rights for only part of the membership
5370 interests of the class or series held of record in the record
5371 member's name under this subsection shall be determined as if
5372 the membership interests to which the record member objects and
5373 the record member's other membership interests were registered
5374 in the names of different record members.

5375 (2) A beneficial member may assert appraisal rights as to a
5376 membership interest held on behalf of the member only if such
5377 beneficial member:

5378 (a) Submits to the limited liability company the record
5379 member's written consent to the assertion of such rights by the
5380 date provided in s. 605.1063(3)(b); and

5381 (b) Does so with respect to all membership interests of the
5382 class or series that are beneficially owned by the beneficial
5383 member.

5384 605.1063 Notice of appraisal rights.-

5385 (1) If a proposed appraisal event is to be submitted to a
5386 vote at a members' meeting, the meeting notice must state that
5387 the limited liability company has concluded that the members
5388 are, are not, or may be entitled to assert appraisal rights
5389 under this chapter.

5390 (2) If the limited liability company concludes that
5391 appraisal rights are or may be available, a copy of s. 605.1006
5392 and ss. 605.1061-605.1072 must accompany the meeting notice sent
5393 to those record members who are or may be entitled to exercise
5394 appraisal rights.

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5395 (3) If the appraisal event is to be approved other than by
5396 a members' meeting:
5397 (a) Written notice that appraisal rights are, are not, or
5398 may be available must be sent to each member from whom a consent
5399 is solicited at the time consent of such member is first
5400 solicited, and if the limited liability company has concluded
5401 that appraisal rights are or may be available, a copy of s.
5402 605.1006 and ss. 605.1061-605.1072 must accompany such written
5403 notice; or
5404 (b) Written notice that appraisal rights are, are not, or
5405 may be available must be delivered, at least 10 days before the
5406 appraisal event becomes effective, to all nonconsenting and
5407 nonvoting members, and, if the limited liability company has
5408 concluded that appraisal rights are or may be available, a copy
5409 of s. 605.1006 and ss. 605.1061-605.1072 must accompany such
5410 written notice.
5411 (4) If a particular appraisal event is proposed and the
5412 limited liability company concludes that appraisal rights are or
5413 may be available, the notice referred to in subsection (1),
5414 paragraph (3)(a), or paragraph (3)(b) must be accompanied by:
5415 (a) Financial statements of the limited liability company
5416 that issued the membership interests that may be or are subject
5417 to appraisal rights, consisting of a balance sheet as of the end
5418 of the fiscal year ending not more than 16 months before the
5419 date of the notice, an income statement for that fiscal year,
5420 and a cash flow statement for that fiscal year; however, if such
5421 financial statements are not reasonably available, the limited
5422 liability company shall provide reasonably equivalent financial
5423 information; and

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5424 (b) The latest available interim financial statements,
5425 including year-to-date through the end of the interim period, of
5426 such limited liability company, if any.

5427 (5) The right to receive the information described in
5428 subsection (4) may be waived in writing by a member before or
5429 after the appraisal event.

5430 605.1064 Notice of intent to demand payment.—

5431 (1) If a proposed appraisal event is submitted to a vote at
5432 a members' meeting, a member who is entitled to and who wishes
5433 to assert appraisal rights with respect to a class or series of
5434 membership interests:

5435 (a) Must deliver, before the vote is taken, to any other
5436 member of a member-managed limited liability company, to a
5437 manager of a manager-managed limited liability company, or, if
5438 the limited liability company has appointed officers, to an
5439 officer written notice of such person's intent to demand payment
5440 if the proposed appraisal event is effectuated; and

5441 (b) May not vote, or cause or permit to be voted, any
5442 membership interests of the class or series in favor of the
5443 appraisal event.

5444 (2) If a proposed appraisal event is to be approved by less
5445 than unanimous written consent of the members, a member who is
5446 entitled to and who wishes to assert appraisal rights with
5447 respect to a class or series of membership interests must not
5448 sign a consent in favor of the proposed appraisal event with
5449 respect to that class or series of membership interests.

5450 (3) A person who may otherwise be entitled to appraisal
5451 rights, but does not satisfy the requirements of subsection (1)
5452 or subsection (2), is not entitled to payment under s. 605.1006

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5453 and ss. 605.1061-605.1072.

5454 605.1065 Appraisal notice and form.-

5455 (1) If the proposed appraisal event becomes effective, the
5456 limited liability company must send a written appraisal notice
5457 and form required by paragraph (2) (a) to all members who satisfy
5458 the requirements of s. 605.1064(1) or (2).

5459 (2) The appraisal notice must be sent no earlier than the
5460 date the appraisal event became effective and within 10 days
5461 after such date and must:

5462 (a) Supply a form that specifies the date that the
5463 appraisal event became effective and that provides for the
5464 member to state:

5465 1. The member's name and address;
5466 2. The number, classes, and series of membership interests
5467 as to which the member asserts appraisal rights;
5468 3. That the member did not vote for or execute a written
5469 consent with respect to the transaction as to any classes or
5470 series of membership interests as to which the member asserts
5471 appraisal rights;

5472 4. Whether the member accepts the limited liability
5473 company's offer as stated in subparagraph (b) 5.; and
5474 5. If the offer is not accepted, the member's estimated
5475 fair value of the membership interests and a demand for payment
5476 of the member's estimated value plus accrued interest.

5477 (b) State:

5478 1. Where the form described in paragraph (a) must be sent;
5479 2. A date by which the limited liability company must
5480 receive the form, which date may not be less than 40 days or
5481 more than 60 days after the date the appraisal notice and form

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5482 described in this section are sent, and that the member is
5483 considered to have waived the right to demand appraisal with
5484 respect to the membership interests unless the form is received
5485 by the limited liability company by such specified date;

5486 3. In the case of membership interests represented by a
5487 certificate, the location at which certificates for the
5488 certificated membership interests must be deposited, if that
5489 action is required by the limited liability company and the date
5490 by which those certificates must be deposited, which may not be
5491 earlier than the date for receiving the required form under
5492 subparagraph 2.;

5493 4. The limited liability company's estimate of the fair
5494 value of the membership interests;

5495 5. An offer to each member who is entitled to appraisal
5496 rights to pay the limited liability company's estimate of fair
5497 value provided in subparagraph 4.;

5498 6. That, if requested in writing, the limited liability
5499 company will provide to the member so requesting, within 10 days
5500 after the date specified in subparagraph 2., the number of
5501 members who return the forms by the specified date and the total
5502 number of membership interests owned by such members;

5503 7. The date by which the notice to withdraw under s.
5504 605.1066 must be received, which date must be within 20 days
5505 after the date specified in subparagraph 2.; and

5506 8. If not previously provided, accompanied by a copy of s.
5507 605.1006 and ss. 605.1061-605.1072.

5508 605.1066 Perfection of rights; right to withdraw.—

5509 (1) A member who receives notice pursuant to s. 605.1065
5510 and wishes to exercise appraisal rights must sign and return the

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5511 form received pursuant to s. 605.1065 (1) and, in the case of
5512 certificated membership interests and if the limited liability
5513 company so requires, deposit the member's certificates in
5514 accordance with the terms of the notice by the date referred to
5515 in the notice pursuant to s. 605.1065 (2)(b)2. Once a member
5516 deposits that member's certificates or, in the case of
5517 uncertificated membership interests, returns the signed form
5518 described in s. 605.1065 (2), the member loses all rights as a
5519 member, unless the member withdraws pursuant to subsection (2).
5520 Upon receiving a demand for payment from a member who holds an
5521 uncertificated membership interest, the limited liability
5522 company shall make an appropriate notation of the demand for
5523 payment in its records and shall restrict the transfer of the
5524 membership interest, or the applicable class or series, from the
5525 date the member delivers the items required by this section.

5526 (2) A member who has complied with subsection (1) may
5527 nevertheless decline to exercise appraisal rights and withdraw
5528 from the appraisal process by so notifying the limited liability
5529 company in writing by the date provided in the appraisal notice
5530 pursuant to s. 605.1065(2)(b)7. A member who fails to notify the
5531 limited liability company in writing of the withdrawal by the
5532 date provided in the appraisal notice may not thereafter
5533 withdraw without the limited liability company's written
5534 consent.

5535 (3) A member who does not sign and return the form and, in
5536 the case of certificated membership interests, deposit that
5537 member's certificates, if so required by the limited liability
5538 company, each by the date set forth in the notice described in
5539 s. 605.1065(2)(a), is not entitled to payment under s. 605.1006

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5540 and ss. 605.1061-605.1072.

5541 (4) If the member's right to receive fair value is
5542 terminated other than by the purchase of the membership interest
5543 by the limited liability company, all rights of the member, with
5544 respect to such membership interest, shall be reinstated
5545 effective as of the date the member delivered the items required
5546 by subsection (1), including the right to receive any
5547 intervening payment or other distribution with respect to such
5548 membership interest, or, if any such rights have expired or any
5549 such distribution other than a cash payment has been completed,
5550 in lieu thereof at the election of the limited liability
5551 company, the fair value thereof in cash as determined by the
5552 limited liability company as of the time of such expiration or
5553 completion, but without prejudice otherwise to any action or
5554 proceeding of the limited liability company that may have been
5555 taken by the limited liability company on or after the date the
5556 member delivered the items required by subsection (1).

5557 605.1067 Member's acceptance of limited liability company's
5558 offer.

5559 (1) If the member states on the form provided in s.
5560 605.1065(1) that the member accepts the offer of the limited
5561 liability company to pay the limited liability company's
5562 estimated fair value for the membership interest, the limited
5563 liability company shall make the payment to the member within 90
5564 days after the limited liability company's receipt of the items
5565 required by s. 605.1066(1).

5566 (2) Upon payment of the agreed value, the member shall
5567 cease to have an interest in the membership interest.

5568 605.1068 Procedure if member is dissatisfied with offer.-

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5569 (1) A member who is dissatisfied with the limited liability
5570 company's offer as provided pursuant to s. 605.1065(2)(b)4. must
5571 notify the limited liability company on the form provided
5572 pursuant to s. 605.1065(1) of the member's estimate of the fair
5573 value of the membership interest and demand payment of that
5574 estimate plus accrued interest.

5575 (2) A member who fails to notify the limited liability
5576 company in writing of the member's demand to be paid the
5577 member's estimate of the fair value plus interest under
5578 subsection (1) within the timeframe provided in s.
5579 605.1065(2)(b)2. waives the right to demand payment under this
5580 section and is entitled only to the payment offered by the
5581 limited liability company pursuant to s. 605.1065(2)(b)4.

5582 605.1069 Court action.—

5583 (1) If a member makes demand for payment under s. 605.1068
5584 which remains unsettled, the limited liability company shall
5585 commence a proceeding within 60 days after receiving the payment
5586 demand and petition the court to determine the fair value of the
5587 membership interest plus accrued interest from the date of the
5588 appraisal event. If the limited liability company does not
5589 commence the proceeding within the 60-day period, any member who
5590 has made a demand pursuant to s. 605.1068 may commence the
5591 proceeding in the name of the limited liability company.

5592 (2) The proceeding must be commenced in the appropriate
5593 court of the county in which the limited liability company's
5594 principal office in this state is located or, if none, the
5595 county in which its registered agent is located. If by virtue of
5596 the appraisal event becoming effective the entity has become a
5597 foreign entity without a registered agent in this state, the

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5598 proceeding must be commenced in the county in this state in
5599 which the principal office or registered agent of the limited
5600 liability company was located immediately before the time the
5601 appraisal event became effective; if it has, and immediately
5602 before the appraisal event became effective had no principal
5603 office in this state, then in the county in which the limited
5604 liability company has, or immediately before the time the
5605 appraisal event became effective had, an office in this state;
5606 or if none in this state, then in the county in which the
5607 limited liability company's registered office is or was last
5608 located.

5609 (3) All members, whether or not residents of this state,
5610 whose demands remain unsettled shall be made parties to the
5611 proceeding as in an action against their membership interests.
5612 The limited liability company shall serve a copy of the initial
5613 pleading in such proceeding upon each member-party who is a
5614 resident of this state in the manner provided by law for the
5615 service of a summons and complaint and upon each nonresident
5616 member-party by registered or certified mail or by publication
5617 as provided by law.

5618 (4) The jurisdiction of the court in which the proceeding
5619 is commenced under subsection (2) is plenary and exclusive. If
5620 it so elects, the court may appoint one or more persons as
5621 appraisers to receive evidence and recommend a decision on the
5622 question of fair value. The appraisers shall have the powers
5623 described in the order appointing them or in an amendment to the
5624 order. The members demanding appraisal rights are entitled to
5625 the same discovery rights as parties in other civil proceedings.
5626 There is no right to a jury trial.

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5627 (5) Each member who is made a party to the proceeding is
5628 entitled to judgment for the amount of the fair value of such
5629 member's membership interests, plus interest, as found by the
5630 court.

5631 (6) The limited liability company shall pay each such
5632 member the amount found to be due within 10 days after final
5633 determination of the proceedings. Upon payment of the judgment,
5634 the member ceases to have any interest in the membership
5635 interests.

5636 605.1070 Court costs and attorney fees.—

5637 (1) The court in an appraisal proceeding shall determine
5638 all costs of the proceeding, including the reasonable
5639 compensation and expenses of appraisers appointed by the court.
5640 The court shall assess the costs against the limited liability
5641 company, except that the court may assess costs against all or
5642 some of the members demanding appraisal, in amounts the court
5643 finds equitable, to the extent the court finds the members acted
5644 arbitrarily, vexatiously, or not in good faith with respect to
5645 the rights provided by this chapter.

5646 (2) The court in an appraisal proceeding may also assess
5647 the expenses incurred by the respective parties, in amounts the
5648 court finds equitable:

5649 (a) Against the limited liability company and in favor of
5650 any or all members demanding appraisal, if the court finds the
5651 limited liability company did not substantially comply with the
5652 requirements of ss. 605.1061-605.1072; or

5653 (b) Against either the limited liability company or a
5654 member demanding appraisal, in favor of another party, if the
5655 court finds that the party against whom the expenses are

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5656 assessed acted arbitrarily, vexatiously, or not in good faith
5657 with respect to the rights provided by this chapter.

5658 (3) If the court in an appraisal proceeding finds that the
5659 expenses incurred by any member were of substantial benefit to
5660 other members similarly situated and should not be assessed
5661 against the limited liability company, the court may direct that
5662 the expenses be paid out of the amounts awarded the members who
5663 were benefited.

5664 (4) To the extent the limited liability company fails to
5665 make a required payment pursuant to s. 605.1067 or s. 605.1069,
5666 the member may sue the limited liability company directly for
5667 the amount owed and, to the extent successful, is entitled to
5668 recover from the limited liability company all costs and
5669 expenses of the suit, including attorney fees.

5670 605.1071 Limitation on limited liability company payment.—

5671 (1) Payment may not be made to a member seeking appraisal
5672 rights if, at the time of payment, the limited liability company
5673 is unable to meet the distribution standards of s. 605.0405. In
5674 such event, the member shall, at the member's option:

5675 (a) Withdraw the notice of intent to assert appraisal
5676 rights, which is deemed withdrawn with the consent of the
5677 limited liability company; or

5678 (b) Retain the status as a claimant against the limited
5679 liability company and, if the limited liability company is
5680 liquidated, be subordinated to the rights of creditors of the
5681 limited liability company, but have rights superior to the
5682 members not asserting appraisal rights and, if the limited
5683 liability company is not liquidated, retain the right to be paid
5684 for the membership interest, which right the limited liability

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5685 company shall be obligated to satisfy when the restrictions of
5686 this section do not apply.

5687 (2) The member shall exercise the option under subparagraph
5688 (1) (a) or subparagraph (1) (b) by written notice filed with the
5689 limited liability company within 30 days after the limited
5690 liability company has given written notice that the payment for
5691 the membership interests cannot be made because of the
5692 restrictions of this section. If the member fails to exercise
5693 the option, the member is deemed to have withdrawn the notice of
5694 intent to assert appraisal rights.

5695 605.1072 Other remedies limited.—

5696 (1) The legality of a proposed or completed appraisal event
5697 may not be contested, and the appraisal event may not be
5698 enjoined, set aside, or rescinded, in a legal or equitable
5699 proceeding by a member after the members have approved the
5700 appraisal event.

5701 (2) Subsection (1) does not apply to an appraisal event
5702 that:

5703 (a) Was not authorized and approved in accordance with the
5704 applicable provisions of this chapter, the organic rules of the
5705 limited liability company, or the resolutions of the members
5706 authorizing the appraisal event;

5707 (b) Was procured as a result of fraud, a material
5708 misrepresentation, or an omission of a material fact that is
5709 necessary to make statements made, in light of the circumstances
5710 in which they were made, not misleading; or

5711 (c) Is an interested transaction, unless it has been
5712 approved in the same manner as is provided in s. 605.04092 or is
5713 fair to the limited liability company as defined in s.

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5714 605.04092(1) (c).

5715 605.1101 Uniformity of application and construction.—In
5716 applying and construing this chapter, consideration must be
5717 given to the need to promote uniformity of the law with respect
5718 to the uniform act upon which it is based.

5719 605.1102 Relation to Electronic Signatures in Global and
5720 National Commerce Act.—This chapter modifies, limits, and
5721 supersedes the Electronic Signatures in Global and National
5722 Commerce Act, 15 U.S.C. s. 7001 et seq., but does not modify,
5723 limit, or supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c),
5724 or authorize electronic delivery of the notices described in s.
5725 103(b) of that act, 15 U.S.C. s. 7003(b). Notwithstanding the
5726 foregoing, this chapter does not operate to modify, limit, or
5727 supersede any provisions of s. 15.16, s. 116.34, or s. 668.50.

5728 605.1103 Tax exemption on income of certain limited
5729 liability companies.—

5730 (1) A limited liability company classified as a partnership
5731 for federal income tax purposes, or a single-member limited
5732 liability company that is disregarded as an entity separate from
5733 its owner for federal income tax purposes, and organized
5734 pursuant to this chapter or qualified to do business in this
5735 state as a foreign limited liability company is not an
5736 “artificial entity” within the purview of s. 220.02 and is not
5737 subject to the tax imposed under chapter 220. If a single-member
5738 limited liability company is disregarded as an entity separate
5739 from its owner for federal income tax purposes, its activities
5740 are, for purposes of taxation under chapter 220, treated in the
5741 same manner as a sole proprietorship, branch, or division of the
5742 owner.

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5743 (2) For purposes of taxation under chapter 220, a limited
5744 liability company formed in this state or a foreign limited
5745 liability company with a certificate of authority to transact
5746 business in this state shall be classified as a partnership or a
5747 limited liability company that has only one member shall be
5748 disregarded as an entity separate from its owner for federal
5749 income tax purposes, unless classified otherwise for federal
5750 income tax purposes, in which case the limited liability company
5751 shall be classified identically to its classification for
5752 federal income tax purposes. For purposes of taxation under
5753 chapter 220, a member or a transferee of a member of a limited
5754 liability company formed in this state or a foreign limited
5755 liability company with a certificate of authority to transact
5756 business in this state shall be treated as a resident or
5757 nonresident partner unless classified otherwise for federal
5758 income tax purposes, in which case the member or transferee of a
5759 member has the same status as the member or transferee of a
5760 member has for federal income tax purposes.

5761 (3) Single-member limited liability companies and other
5762 entities that are disregarded for federal income tax purposes
5763 must be treated as separate legal entities for all non-income
5764 tax purposes. The Department of Revenue shall adopt rules to
5765 take into account that single-member disregarded entities such
5766 as limited liability companies and qualified subchapter S
5767 corporations may be disregarded as separate entities for federal
5768 tax purposes and therefore may report and account for income,
5769 employment, and other taxes under the taxpayer identification
5770 number of the owner of the single-member entity.

5771 605.1104 Interrogatories by department; other powers of

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5772 department.-

5773 (1) The department may direct to any limited liability
5774 company or foreign limited liability company subject to this
5775 chapter, and to a member or manager of any limited liability
5776 company or foreign limited liability company subject to this
5777 chapter, interrogatories reasonably necessary and proper to
5778 enable the department to ascertain whether the limited liability
5779 company or foreign limited liability company has complied with
5780 the provisions of this chapter applicable to the limited
5781 liability company or foreign limited liability company. The
5782 interrogatories must be answered within 30 days after the date
5783 of mailing, or within such additional time as fixed by the
5784 department. The answers to the interrogatories must be full and
5785 complete and must be made in writing and under oath. If the
5786 interrogatories are directed to an individual, they must be
5787 answered by the individual, and if directed to a limited
5788 liability company or foreign limited liability company, they
5789 must be answered by a manager of a manager-managed company, a
5790 member of a member-managed company, or other applicable governor
5791 if a foreign limited liability company is not member-managed or
5792 manager managed, or a fiduciary if the company is in the hands
5793 of a receiver, trustee, or other court-appointed fiduciary.

5794 (2) The department need not file a record in a court of
5795 competent jurisdiction to which the interrogatories relate until
5796 the interrogatories are answered as provided in this chapter,
5797 and is not required to file a record if the answers disclose
5798 that the record is not in conformity with the requirements of
5799 this chapter or if the department has determined that the
5800 parties to such document have not paid all fees, taxes, and

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5801 penalties due and owing this state. The department shall certify
5802 to the Department of Legal Affairs, for such action as the
5803 Department of Legal Affairs may deem appropriate, all
5804 interrogatories and answers that disclose a violation of this
5805 chapter.

5806 (3) The department may, based upon its findings under this
5807 section or as provided in s. 213.053(15), bring an action in
5808 circuit court to collect any penalties, fees, or taxes
5809 determined to be due and owing the state and to compel any
5810 filings, qualification, or registration required by law. In
5811 connection with such proceeding, the department may, without
5812 prior approval by the court, file a lis pendens against any
5813 property owned by the limited liability company and may further
5814 certify any findings to the Department of Legal Affairs for the
5815 initiation of an action permitted pursuant to this chapter which
5816 the Department of Legal Affairs may deem appropriate.

5817 (4) The department has the power and authority reasonably
5818 necessary to administer this chapter efficiently, to perform the
5819 duties herein imposed upon it, and to adopt reasonable rules
5820 necessary to carry out its duties and functions under this
5821 chapter.

5822 605.1105 Reservation of power to amend or repeal.—The
5823 Legislature has the power to amend or repeal all or part of this
5824 chapter at any time, and all domestic and foreign limited
5825 liability companies subject to this chapter shall be governed by
5826 the amendment or repeal.

5827 605.1106 Savings clause.—

5828 (1) Except as provided in subsection (2), the repeal of a
5829 statute by this chapter does not affect:

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5830 (a) The operation of the statute or an action taken under
5831 it before its repeal, including, without limiting the generality
5832 of the foregoing, the continuing validity of any provision of
5833 the articles of organization, regulations, or operating
5834 agreements of a limited liability company authorized under the
5835 statute at the time of its adoption;

5836 (b) Any ratification, right, remedy, privilege, obligation,
5837 or liability acquired, accrued, or incurred under the statute
5838 before its repeal;

5839 (c) Any violation of the statute or any penalty,
5840 forfeiture, or punishment incurred because of the violation,
5841 before its repeal; or

5842 (d) Any proceeding, merger, sale of assets, reorganization,
5843 or dissolution commenced under the statute before its repeal,
5844 and the proceeding, merger, sale of assets, reorganization, or
5845 dissolution may be completed in accordance with the statute as
5846 if it had not been repealed.

5847 (2) If a penalty or punishment imposed for violation of a
5848 statute is reduced by this chapter, the penalty or punishment,
5849 if not already imposed, shall be imposed in accordance with this
5850 chapter.

5851 (3) This chapter does not affect an action commenced,
5852 proceeding brought, or right accrued before this chapter takes
5853 effect.

5854 605.1107 Severability clause.—If any provision of this
5855 chapter or its application to any person or circumstance is held
5856 invalid, the invalidity does not affect other provisions or
5857 applications of this chapter which can be given effect without
5858 the invalid provision or application, and to this end the

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provisions of this chapter are severable.

605.1108 Application to limited liability company formed under the Florida Limited Liability Company Act.—

(1) Subject to subsection (4), before January 1, 2015, this chapter governs only:

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

(b) A limited liability company formed before January 1, 2014, which elects, in the manner provided in its operating agreement or by law for amending the operating agreement, to be subject to this chapter.

(2) On or after January 1, 2015, this chapter governs all limited liability companies.

(3) For the purpose of applying this chapter to a limited liability company formed before January 1, 2014, under the Florida Limited Liability Company Act, ss. 608.401-608.705:

(a) The company's articles of organization are deemed to be the company's articles of organization under this chapter; and

(b) For the purpose of applying s. 605.0102(39), the language in the company's articles of organization designating the company's management structure operates as if that language were in the operating agreement.

(4) Notwithstanding the provisions of subsections (1) and (2), effective January 1, 2014, all documents, instruments, and other records submitted to the department must comply with the filing requirements stipulated by this chapter.

Section 3. Section 48.062, Florida Statutes, is created to read:

48.062 Service on a limited liability company.—

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5888 (1) Process against a limited liability company, domestic
5889 or foreign, may be served on the registered agent designated by
5890 the limited liability company under chapter 605 or chapter 608.
5891 A person attempting to serve process pursuant to this subsection
5892 may serve the process on any employee of the registered agent
5893 during the first attempt at service even if the registered agent
5894 is a natural person and is temporarily absent from his or her
5895 office.

5896 (2) If service cannot be made on a registered agent of the
5897 limited liability company because of failure to comply with
5898 chapter 605 or chapter 608 or because the limited liability
5899 company does not have a registered agent, or if its registered
5900 agent cannot with reasonable diligence be served, process
5901 against the limited liability company, domestic or foreign, may
5902 be served:

5903 (a) On a member of a member-managed limited liability
5904 company;

5905 (b) On a manager of a manager-managed limited liability
5906 company; or

5907 (c) If a member or manager is not available during regular
5908 business hours to accept service on behalf of the limited
5909 liability company, he, she, or it may designate an employee of
5910 the limited liability company to accept such service. After one
5911 attempt to serve a member, manager, or designated employee has
5912 been made, process may be served on the person in charge of the
5913 limited liability company during regular business hours.

5914 (3) If, after reasonable diligence, service of process
5915 cannot be completed under subsection (1) or subsection (2),
5916 service of process may be effected by service upon the Secretary

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5917 of State as agent of the limited liability company as provided
5918 for in s. 48.181.

5919 (4) If the address provided for the registered agent,
5920 member or manager is a residence or private mailbox, service on
5921 the limited liability company, domestic or foreign, may be made
5922 by serving the registered agent, member or manager in accordance
5923 with s. 48.031.

5924 (5) This section does not apply to service of process on
5925 insurance companies.

5926 Section 4. Effective July 1, 2014, and contingent upon the
5927 amendment of s. 608.452, Florida Statutes, by the enactment of
5928 Senate Bill 1490 or other similar legislation, the fees provided
5929 under s. 605.0213, Florida Statutes, as created under this act,
5930 are amended to reflect the fee changes to s. 608.452, Florida
5931 Statutes, by Senate Bill 1490 or other similar legislation.

5932 Section 5. Effective January 1, 2015, the Florida Limited
5933 Liability Company Act, consisting of ss. 608.401-608.705,
5934 Florida Statutes, is repealed.

5935 Section 6. Subsection (3) of section 607.1109, Florida
5936 Statutes, is amended to read:

5937 607.1109 Articles of merger.—

5938 (3) A domestic corporation is not required to file articles
5939 of merger pursuant to subsection (1) if the domestic corporation
5940 is named as a party or constituent organization in articles of
5941 merger or a certificate of merger filed for the same merger in
5942 accordance with s. 605.1025, s. 608.4382(1), s. 617.1108, s.
5943 620.2108(3), or s. 620.8918(1) and (2), and if the articles of
5944 merger or certificate of merger substantially complies with the
5945 requirements of this section. In such a case, the other articles

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5946 of merger or certificate of merger may also be used for purposes
5947 of subsection (2).

5948 Section 7. Effective January 1, 2015, subsection (3) of
5949 section 607.1109, Florida Statutes, as amended by this act, is
5950 amended to read:

5951 607.1109 Articles of merger.—

5952 (3) A domestic corporation is not required to file articles
5953 of merger pursuant to subsection (1) if the domestic corporation
5954 is named as a party or constituent organization in articles of
5955 merger or a certificate of merger filed for the same merger in
5956 accordance with s. 605.1025, ~~s. 608.4382(1)~~, s. 617.1108, s.
5957 620.2108(3), or s. 620.8918(1) and (2), and if the articles of
5958 merger or certificate of merger substantially complies with the
5959 requirements of this section. In such a case, the other articles
5960 of merger or certificate of merger may also be used for purposes
5961 of subsection (2).

5962 Section 8. Subsection (3) of section 607.1113, Florida
5963 Statutes, is amended to read:

5964 607.1113 Certificate of conversion.—

5965 (3) A converting domestic corporation is not required to
5966 file a certificate of conversion pursuant to subsection (1) if
5967 the converting domestic corporation files articles of conversion
5968 or a certificate of conversion that substantially complies with
5969 the requirements of this section pursuant to s. 605.1045, s.
5970 608.439, s. 620.2104(1)(b), or s. 620.8914(1)(b) and contains
5971 the signatures required by this chapter. In such a case, the
5972 other certificate of conversion may also be used for purposes of
5973 subsection (2).

5974 Section 9. Effective January 1, 2015, subsection (3) of

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5975 section 607.1113, Florida Statutes, as amended by this act, is
5976 amended to read:

5977 607.1113 Certificate of conversion.—

5978 (3) A converting domestic corporation is not required to
5979 file a certificate of conversion pursuant to subsection (1) if
5980 the converting domestic corporation files articles of conversion
5981 or a certificate of conversion that substantially complies with
5982 the requirements of this section pursuant to s. 605.1045, ~~s.~~
5983 ~~608.439~~, s. 620.2104(1)(b), or s. 620.8914(1)(b) and contains
5984 the signatures required by this chapter. In such a case, the
5985 other certificate of conversion may also be used for purposes of
5986 subsection (2).

5987 Section 10. Subsections (1) and (2) of section 607.193,
5988 Florida Statutes, are amended to read:

5989 607.193 Supplemental corporate fee.—

5990 (1) In addition to any other taxes imposed by law, an
5991 annual supplemental corporate fee of \$88.75 is imposed on each
5992 business entity that is authorized to transact business in this
5993 state and is required to file an annual report with the
5994 Department of State under s. 605.0212, s. 607.1622, s. 608.4511,
5995 or s. 620.1210.

5996 (2) (a) The business entity shall remit the supplemental
5997 corporate fee to the Department of State at the time it files
5998 the annual report required by s. 605.0212, s. 607.1622, s.
5999 608.4511, or s. 620.1210.

6000 (b) In addition to the fees levied under ss. 607.0122,
6001 ~~608.452~~, and 620.1109, s. 605.0213 or s. 608.452, and the
6002 supplemental corporate fee, a late charge of \$400 shall be
6003 imposed if the supplemental corporate fee is remitted after May

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6004 1 except in circumstances in which a business entity was
6005 administratively dissolved or its certificate of authority was
6006 revoked due to its failure to file an annual report and the
6007 entity subsequently applied for reinstatement and paid the
6008 applicable reinstatement fee.

6009 Section 11. Effective January 1, 2015, subsections (1) and
6010 (2) of section 607.193, Florida Statutes, as amended by this
6011 act, are amended to read:

6012 607.193 Supplemental corporate fee.—

6013 (1) In addition to any other taxes imposed by law, an
6014 annual supplemental corporate fee of \$88.75 is imposed on each
6015 business entity that is authorized to transact business in this
6016 state and is required to file an annual report with the
6017 Department of State under s. 605.0212, s. 607.1622, ~~s. 608.4511,~~
6018 or s. 620.1210.

6019 (2) (a) The business entity shall remit the supplemental
6020 corporate fee to the Department of State at the time it files
6021 the annual report required by s. 605.0212, s. 607.1622, ~~s.~~
6022 ~~608.4511,~~ or s. 620.1210.

6023 (b) In addition to the fees levied under ss. 605.0213,
6024 607.0122, and 620.1109, ~~s. 605.0213 or s. 608.452,~~ and the
6025 supplemental corporate fee, a late charge of \$400 shall be
6026 imposed if the supplemental corporate fee is remitted after May
6027 1 except in circumstances in which a business entity was
6028 administratively dissolved or its certificate of authority was
6029 revoked due to its failure to file an annual report and the
6030 entity subsequently applied for reinstatement and paid the
6031 applicable reinstatement fee.

6032 Section 12. Subsection (2) of section 617.1108, Florida

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6033 Statutes, is amended to read:

6034 617.1108 Merger of domestic corporation and other business
6035 entities.—

6036 (2) A domestic corporation not for profit organized under
6037 this chapter is not required to file articles of merger pursuant
6038 to this section if the corporation not for profit is named as a
6039 party or constituent organization in articles of merger or a
6040 certificate of merger filed for the same merger in accordance
6041 with s. 605.1025, s. 607.1109, s. 608.4382(1), s. 620.2108(3),
6042 or s. 620.8918(1) and (2). In such a case, the other articles of
6043 merger or certificate of merger may also be used for purposes of
6044 subsection (3).

6045 Section 13. Effective January 1, 2015, subsection (2) of
6046 section 617.1108, Florida Statutes, as amended by this act, is
6047 amended to read:

6048 617.1108 Merger of domestic corporation and other business
6049 entities.—

6050 (2) A domestic corporation not for profit organized under
6051 this chapter is not required to file articles of merger pursuant
6052 to this section if the corporation not for profit is named as a
6053 party or constituent organization in articles of merger or a
6054 certificate of merger filed for the same merger in accordance
6055 with s. 605.1025, s. 607.1109, s. 608.4382(1), s. 620.2108(3),
6056 or s. 620.8918(1) and (2). In such a case, the other articles of
6057 merger or certificate of merger may also be used for purposes of
6058 subsection (3).

6059 Section 14. Paragraph (c) of subsection (1) of section
6060 620.2104, Florida Statutes, is amended to read:

6061 620.2104 Filings required for conversion; effective date.—

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6062 (1) After a plan of conversion is approved:

6063 (c) A converting limited partnership is not required to
6064 file a certificate of conversion pursuant to paragraph (a) if
6065 the converting limited partnership files articles of conversion
6066 or a certificate of conversion that substantially complies with
6067 the requirements of this section pursuant to s. 605.1045, s.
6068 607.1115, s. 608.439, or s. 620.8914(1)(b) and contains the
6069 signatures required by this chapter. In such a case, the other
6070 certificate of conversion may also be used for purposes of s.
6071 620.2105(4).

6072 Section 15. Effective January 1, 2015, paragraph (c) of
6073 subsection (1) of section 620.2104, Florida Statutes, as amended
6074 by this act, is amended to read:

6075 620.2104 Filings required for conversion; effective date.—

6076 (1) After a plan of conversion is approved:

6077 (c) A converting limited partnership is not required to
6078 file a certificate of conversion pursuant to paragraph (a) if
6079 the converting limited partnership files articles of conversion
6080 or a certificate of conversion that substantially complies with
6081 the requirements of this section pursuant to s. 605.1045, s.
6082 607.1115, s. 608.439, or s. 620.8914(1)(b) and contains the
6083 signatures required by this chapter. In such a case, the other
6084 certificate of conversion may also be used for purposes of s.
6085 620.2105(4).

6086 Section 16. Subsection (3) of section 620.2108, Florida
6087 Statutes, is amended to read:

6088 620.2108 Filings required for merger; effective date.—

6089 (3) Each constituent limited partnership shall deliver the
6090 certificate of merger for filing in the Department of State

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6091 unless the constituent limited partnership is named as a party
6092 or constituent organization in articles of merger or a
6093 certificate of merger filed for the same merger in accordance
6094 with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,
6095 or s. 620.8918(1) and (2) and such articles of merger or
6096 certificate of merger substantially complies with the
6097 requirements of this section. In such a case, the other articles
6098 of merger or certificate of merger may also be used for purposes
6099 of s. 620.2109(3).

6100 Section 17. Effective January 1, 2015, subsection (3) of
6101 section 620.2108, Florida Statutes, as amended by this act, is
6102 amended to read:

6103 620.2108 Filings required for merger; effective date.—

6104 (3) Each constituent limited partnership shall deliver the
6105 certificate of merger for filing in the Department of State
6106 unless the constituent limited partnership is named as a party
6107 or constituent organization in articles of merger or a
6108 certificate of merger filed for the same merger in accordance
6109 with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,
6110 or s. 620.8918(1) and (2) and such articles of merger or
6111 certificate of merger substantially complies with the
6112 requirements of this section. In such a case, the other articles
6113 of merger or certificate of merger may also be used for purposes
6114 of s. 620.2109(3).

6115 Section 18. Subsection (1) of section 620.8914, Florida
6116 Statutes, is amended to read:

6117 620.8914 Filings required for conversion; effective date.—

6118 (1) After a plan of conversion is approved:

6119 (a) A converting partnership shall deliver to the

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6120 Department of State for filing a registration statement in
6121 accordance with s. 620.8105, if such statement was not
6122 previously filed, and a certificate of conversion, in accordance
6123 with s. 620.8105, which must include:
6124 1. A statement that the partnership has been converted into
6125 another organization.
6126 2. The name and form of the organization and the
6127 jurisdiction of its governing law.
6128 3. The date the conversion is effective under the governing
6129 law of the converted organization.
6130 4. A statement that the conversion was approved as required
6131 by this act.
6132 5. A statement that the conversion was approved as required
6133 by the governing law of the converted organization.
6134 6. If the converted organization is a foreign organization
6135 not authorized to transact business in this state, the street
6136 and mailing address of an office which the Department of State
6137 may use for the purposes of s. 620.8915(3).
6138 (b) In the case of a converting organization converting
6139 into a partnership to be governed by this act, the converting
6140 organization shall deliver to the Department of State for
6141 filing:
6142 1. A registration statement in accordance with s. 620.8105.
6143 2. A certificate of conversion, in accordance with s.
6144 620.8105, signed by a general partner of the partnership in
6145 accordance with s. 620.8105(6) and by the converting
6146 organization as required by applicable law, which certificate of
6147 conversion must include:
6148 a. A statement that the partnership was converted from

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6149 another organization.

6150 b. The name and form of the converting organization and the
6151 jurisdiction of its governing law.

6152 c. A statement that the conversion was approved as required
6153 by this act.

6154 d. A statement that the conversion was approved in a manner
6155 that complied with the converting organization's governing law.

6156 e. The effective time of the conversion, if other than the
6157 time of the filing of the certificate of conversion.

6158

6159 A converting domestic partnership is not required to file a
6160 certificate of conversion pursuant to paragraph (a) if the
6161 converting domestic partnership files articles of conversion or
6162 a certificate of conversion that substantially complies with the
6163 requirements of this section pursuant to s. 605.1045, s.
6164 607.1115, s. 608.439, or s. 620.2104(1)(b) and contains the
6165 signatures required by this chapter. In such a case, the other
6166 certificate of conversion may also be used for purposes of s.
6167 620.8915(4).

6168 Section 19. Effective January 1, 2015, subsection (1) of
6169 section 620.8914, Florida Statutes, as amended by this act, is
6170 amended to read:

6171 620.8914 Filings required for conversion; effective date.—

6172 (1) After a plan of conversion is approved:

6173 (a) A converting partnership shall deliver to the
6174 Department of State for filing a registration statement in
6175 accordance with s. 620.8105, if such statement was not
6176 previously filed, and a certificate of conversion, in accordance
6177 with s. 620.8105, which must include:

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6178 1. A statement that the partnership has been converted into
6179 another organization.

6180 2. The name and form of the organization and the
6181 jurisdiction of its governing law.

6182 3. The date the conversion is effective under the governing
6183 law of the converted organization.

6184 4. A statement that the conversion was approved as required
6185 by this act.

6186 5. A statement that the conversion was approved as required
6187 by the governing law of the converted organization.

6188 6. If the converted organization is a foreign organization
6189 not authorized to transact business in this state, the street
6190 and mailing address of an office which the Department of State
6191 may use for the purposes of s. 620.8915(3).

6192 (b) In the case of a converting organization converting
6193 into a partnership to be governed by this act, the converting
6194 organization shall deliver to the Department of State for
6195 filing:

6196 1. A registration statement in accordance with s. 620.8105.
6197 2. A certificate of conversion, in accordance with s.
6198 620.8105, signed by a general partner of the partnership in
6199 accordance with s. 620.8105(6) and by the converting
6200 organization as required by applicable law, which certificate of
6201 conversion must include:

6202 a. A statement that the partnership was converted from
6203 another organization.

6204 b. The name and form of the converting organization and the
6205 jurisdiction of its governing law.

6206 c. A statement that the conversion was approved as required

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6207 by this act.

6208 d. A statement that the conversion was approved in a manner
6209 that complied with the converting organization's governing law.

6210 e. The effective time of the conversion, if other than the
6211 time of the filing of the certificate of conversion.

6212
6213 A converting domestic partnership is not required to file a
6214 certificate of conversion pursuant to paragraph (a) if the
6215 converting domestic partnership files articles of conversion or
6216 a certificate of conversion that substantially complies with the
6217 requirements of this section pursuant to s. 605.1045, s.
6218 607.1115, ~~s. 608.439,~~ or s. 620.2104(1)(b) and contains the
6219 signatures required by this chapter. In such a case, the other
6220 certificate of conversion may also be used for purposes of s.
6221 620.8915(4).

6222 Section 20. Subsection (3) of section 620.8918, Florida
6223 Statutes, is amended to read:

6224 620.8918 Filings required for merger; effective date.—

6225 (3) Each domestic constituent partnership shall deliver the
6226 certificate of merger for filing with the Department of State,
6227 unless the domestic constituent partnership is named as a party
6228 or constituent organization in articles of merger or a
6229 certificate of merger filed for the same merger in accordance
6230 with s. 605.1025, s. 607.1109(1), s. 608.4382(1), s. 617.1108,
6231 or s. 620.2108(3). The articles of merger or certificate of
6232 merger must substantially comply with the requirements of this
6233 section. In such a case, the other articles of merger or
6234 certificate of merger may also be used for purposes of s.
6235 620.8919(3). Each domestic constituent partnership in the merger

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6236 shall also file a registration statement in accordance with s.
6237 620.8105(1) if it does not have a currently effective
6238 registration statement filed with the Department of State.

6239 Section 21. Effective January 1, 2015, subsection (3) of
6240 section 620.8918, Florida Statutes, as amended by this act, is
6241 amended to read:

6242 620.8918 Filings required for merger; effective date.—

6243 (3) Each domestic constituent partnership shall deliver the
6244 certificate of merger for filing with the Department of State,
6245 unless the domestic constituent partnership is named as a party
6246 or constituent organization in articles of merger or a
6247 certificate of merger filed for the same merger in accordance
6248 with s. 605.1025, s. 607.1109(1), ~~s. 608.4382(1)~~, s. 617.1108,
6249 or s. 620.2108(3). The articles of merger or certificate of
6250 merger must substantially comply with the requirements of this
6251 section. In such a case, the other articles of merger or
6252 certificate of merger may also be used for purposes of s.
6253 620.8919(3). Each domestic constituent partnership in the merger
6254 shall also file a registration statement in accordance with s.
6255 620.8105(1) if it does not have a currently effective
6256 registration statement filed with the Department of State.

6257 Section 22. Section 621.051, Florida Statutes, is amended
6258 to read:

6259 621.051 Limited liability company organization.—A group of
6260 professional service corporations, professional limited
6261 liability companies, or individuals, in any combination, duly
6262 licensed or otherwise legally authorized to render the same
6263 professional services may organize and become members of a
6264 professional limited liability company for pecuniary profit

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6265 under the provisions of chapter 605 or chapter 608 for the sole
6266 and specific purpose of rendering the same and specific
6267 professional service.

6268 Section 23. Effective January 1, 2015, section 621.051,
6269 Florida Statutes, as amended by this act, is amended to read:

6270 621.051 Limited liability company organization.—A group of
6271 professional service corporations, professional limited
6272 liability companies, or individuals, in any combination, duly
6273 licensed or otherwise legally authorized to render the same
6274 professional services may organize and become members of a
6275 professional limited liability company for pecuniary profit
6276 under the provisions of chapter 605 ~~or chapter 608~~ for the sole
6277 and specific purpose of rendering the same and specific
6278 professional service.

6279 Section 24. Section 621.07, Florida Statutes, is amended to
6280 read:

6281 621.07 Liability of officers, agents, employees,
6282 shareholders, members, and corporation or limited liability
6283 company.—Nothing contained in this act shall be interpreted to
6284 abolish, repeal, modify, restrict, or limit the law now in
6285 effect in this state applicable to the professional relationship
6286 and liabilities between the person furnishing the professional service and
6287 to the standards for professional conduct; provided, however,
6288 that any officer, agent, member, manager, or employee of a
6289 corporation or limited liability company organized under this
6290 act shall be personally liable and accountable only for
6291 negligent or wrongful acts or misconduct committed by that
6292 person, or by any person under that person's direct supervision
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6294 and control, while rendering professional service on behalf of
6295 the corporation or limited liability company to the person for
6296 whom such professional services were being rendered; and
6297 provided further that the personal liability of shareholders of
6298 a corporation, or members of a limited liability company,
6299 organized under this act, in their capacity as shareholders or
6300 members of such corporation or limited liability company, shall
6301 be no greater in any aspect than that of a shareholder-employee
6302 of a corporation organized under chapter 607 or a member-
6303 employee of a limited liability company organized under chapter
6304 605 or chapter 608. The corporation or limited liability company
6305 shall be liable up to the full value of its property for any
6306 negligent or wrongful acts or misconduct committed by any of its
6307 officers, agents, members, managers, or employees while they are
6308 engaged on behalf of the corporation or limited liability
6309 company in the rendering of professional services.

6310 Section 25. Effective January 1, 2015, section 621.07,
6311 Florida Statutes, as amended by this act, is amended to read:

6312 621.07 Liability of officers, agents, employees,
6313 shareholders, members, and corporation or limited liability
6314 company.—Nothing contained in this act shall be interpreted to
6315 abolish, repeal, modify, restrict, or limit the law now in
6316 effect in this state applicable to the professional relationship
6317 and liabilities between the person furnishing the professional
6318 services and the person receiving such professional service and
6319 to the standards for professional conduct; provided, however,
6320 that any officer, agent, member, manager, or employee of a
6321 corporation or limited liability company organized under this
6322 act shall be personally liable and accountable only for

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6323 negligent or wrongful acts or misconduct committed by that
6324 person, or by any person under that person's direct supervision
6325 and control, while rendering professional service on behalf of
6326 the corporation or limited liability company to the person for
6327 whom such professional services were being rendered; and
6328 provided further that the personal liability of shareholders of
6329 a corporation, or members of a limited liability company,
6330 organized under this act, in their capacity as shareholders or
6331 members of such corporation or limited liability company, shall
6332 be no greater in any aspect than that of a shareholder-employee
6333 of a corporation organized under chapter 607 or a member-
6334 employee of a limited liability company organized under chapter
6335 605 ~~or chapter 608~~. The corporation or limited liability company
6336 shall be liable up to the full value of its property for any
6337 negligent or wrongful acts or misconduct committed by any of its
6338 officers, agents, members, managers, or employees while they are
6339 engaged on behalf of the corporation or limited liability
6340 company in the rendering of professional services.

6341 Section 26. Subsections (2) and (4) of section 621.12,
6342 Florida Statutes, are amended to read:

6343 621.12 Identification with individual shareholders or
6344 individual members.—

6345 (2) The name shall also contain:

6346 (a) The word "chartered"; or

6347 (b) 1. In the case of a professional corporation, the words
6348 "professional association" or the abbreviation "P.A."; or

6349 2. In the case of a professional limited liability company,
6350 formed before January 1, 2014, the words "professional limited
6351 company" or "professional limited liability company," ~~or~~ the

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6352 abbreviation "P.L." or "P.L.L.C." or the designation "PL" or
6353 "PLLC," in lieu of the words "limited company" or "limited
6354 liability company," or the abbreviation "L.C." or "L.L.C." or
6355 the designation "LC" or "LLC" as otherwise required under s.
6356 605.0112 or s. 608.406.

6357 3. In the case of a professional limited liability company
6358 formed on or after January 1, 2014, the words "professional
6359 limited liability company," the abbreviation "P.L.L.C." or the
6360 designation "PLLC," in lieu of the words "limited liability
6361 company," or the abbreviation "L.L.C." or the designation "LLC"
6362 as otherwise required under s.605.0112.

6363 (4) It shall be permissible, however, for the corporation
6364 or limited liability company to render professional services and
6365 to exercise its authorized powers under a name which is
6366 identical to its name or contains any one or more of the last
6367 names of any shareholder or member included in such name except
6368 that the word "chartered," the words "professional association,"
6369 or "professional limited company," or "professional limited
6370 liability company," or the abbreviations "P.A._" or "P.L._" or
6371 "P.L.L.C._," or the designation "PL" or "PLLC" may be omitted,
6372 provided that the corporation or limited liability company has
6373 first registered the name to be so used in the manner required
6374 for the registration of fictitious names.

6375 Section 27. Section 621.13, Florida Statutes, is amended to
6376 read:

6377 621.13 Applicability of chapters 605, 607, and 608.—

6378 (1) Chapter 607 is applicable to a corporation organized
6379 pursuant to this act except to the extent that any of the
6380 provisions of this act are interpreted to be in conflict with

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6381 the provisions of chapter 607. In such event, the provisions and
6382 sections of this act shall take precedence with respect to a
6383 corporation organized pursuant to the provisions of this act.

6384 (2) (a) Before January 1, 2014, and during any transition
6385 period thereafter, chapter 608 is applicable to a limited
6386 liability company organized pursuant to this act before January
6387 1, 2014, except to the extent that any of the provisions of this
6388 act are interpreted to be in conflict with the provisions of
6389 chapter 608. In such event, the provisions and sections of this
6390 act shall take precedence with respect to a limited liability
6391 company organized pursuant to the provisions of this act.

6392 (b) On and after January 1, 2014, chapter 605 is applicable
6393 to a limited liability company organized pursuant to this act on
6394 or after January 1, 2014, except to the extent that any of the
6395 provisions of this act are interpreted to be in conflict with
6396 the provisions of chapter 605. In such event, the provisions and
6397 sections of this act shall take precedence with respect to a
6398 limited liability company organized pursuant to the provisions
6399 of this act.

6400 (c) After an election is made to be subject to the
6401 provisions of chapter 605, chapter 605 applies to a limited
6402 liability company organized pursuant to this act before January
6403 1, 2014, except to the extent that any of the provisions of this
6404 act are interpreted to be in conflict with the provisions of
6405 chapter 605. In such event, the provisions and sections of this
6406 act shall take precedence with respect to a limited liability
6407 company organized pursuant to the provisions of this act.

6408 (3) A professional corporation or limited liability company
6409 heretofore or hereafter organized under this act may change its

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6410 business purpose from the rendering of professional service to
6411 provide for any other lawful purpose by amending its certificate
6412 of incorporation in the manner required for an original
6413 incorporation under chapter 607 or by amending its certificate
6414 of organization in the manner required for an original
6415 organization under chapter 608, or for a limited liability
6416 company subject to chapter 605 by amending its certificate of
6417 organization in the manner required for an original organization
6418 under chapter 605. However, such an amendment, when filed with
6419 and accepted by the Department of State, shall remove such
6420 corporation or limited liability company from the provisions of
6421 this chapter including, but not limited to, the right to
6422 practice a profession. A change of business purpose shall not
6423 have any effect on the continued existence of the corporation or
6424 limited liability company.

6425 Section 28. Effective January 1, 2015, section 621.13,
6426 Florida Statutes, as amended by this act, is amended to read:

6427 621.13 Applicability of chapters 605 and, 607, and 608.—

6428 (1) Chapter 607 is applicable to a corporation organized
6429 pursuant to this act except to the extent that any of the
6430 provisions of this act are interpreted to be in conflict with
6431 the provisions of chapter 607. In such event, the provisions and
6432 sections of this act shall take precedence with respect to a
6433 corporation organized pursuant to the provisions of this act.

6434 (2) ~~(a) Chapter 605 Before January 1, 2014, and during any~~
6435 ~~transition period thereafter, chapter 608~~ is applicable to a
6436 limited liability company organized pursuant to this act ~~before~~
6437 ~~January 1, 2014,~~ except to the extent that any of the provisions
6438 of this act are interpreted to be in conflict with the

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6439 provisions of chapter 605 ~~608~~. In such event, the provisions and
6440 sections of this act shall take precedence with respect to a
6441 limited liability company organized pursuant to the provisions
6442 of this act.

6443 ~~(b) On and after January 1, 2014, chapter 605 is applicable~~
6444 ~~to a limited liability company organized pursuant to this act on~~
6445 ~~or after January 1, 2014, except to the extent that any of the~~
6446 ~~provisions of this act are interpreted to be in conflict with~~
6447 ~~the provisions of chapter 605. In such event, the provisions and~~
6448 ~~sections of this act shall take precedence with respect to a~~
6449 ~~limited liability company organized pursuant to the provisions~~
6450 ~~of this act.~~

6451 ~~(c) After an election is made to be subject to the~~
6452 ~~provisions of chapter 605, chapter 605 applies to a limited~~
6453 ~~liability company organized pursuant to this act before January~~
6454 ~~1, 2014, except to the extent that any of the provisions of this~~
6455 ~~act are interpreted to be in conflict with the provisions of~~
6456 ~~chapter 605. In such event, the provisions and sections of this~~
6457 ~~act shall take precedence with respect to a limited liability~~
6458 ~~company organized pursuant to the provisions of this act.~~

6459 (3) A professional corporation or limited liability company
6460 heretofore or hereafter organized under this act may change its
6461 business purpose from the rendering of professional service to
6462 provide for any other lawful purpose by amending its certificate
6463 of incorporation in the manner required for an original
6464 incorporation under chapter 607 or ~~by amending its certificate~~
6465 ~~of organization in the manner required for an original~~
6466 ~~organization under chapter 608, or for a limited liability~~
6467 ~~company subject to chapter 605 by amending its certificate of~~

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6468 organization in the manner required for an original organization
6469 under chapter 605. However, such an amendment, when filed with
6470 and accepted by the Department of State, shall remove such
6471 corporation or limited liability company from the provisions of
6472 this chapter including, but not limited to, the right to
6473 practice a profession. A change of business purpose shall not
6474 have any effect on the continued existence of the corporation or
6475 limited liability company.

6476 Section 29. Except as otherwise provided, this act shall
6477 take effect January 1, 2014.