

1 THIS DRAFT REFLECTS 608 DRAFTING COMMITTEE COMMENTS

2 AS OF 1/18/13.

3
4 A bill to be entitled
5 An act relating to limited liability companies;
6 providing legislative intent; providing an effective
7 date.
8

9 Be It Enacted by the Legislature of the State of Florida:

10
11 Section 1. Except as set forth in s. 608.1108 of Section 3
12 and in Section 4, the Legislature intends that the provisions of
13 Part I of this act shall govern all limited liability companies
14 in existence on the effective date of this act.

15 Section 2. The Florida Limited Liability Company Act,
16 consisting of sections 608.401-608.705, is designated as Part I
17 of chapter 608.

18 Section 3. Part II of chapter 608 is created to read as
19 follows:

20 608.101 Short title.—This chapter may be cited as the
21 Florida Revised Limited Liability Company Act.

22 608.102 Definitions.—In this chapter:

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

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

29 (3) "Articles of conversion" means the articles of

conversion required by s. 608.1045. The term includes the articles of conversion as amended or restated.

(4) "Articles of domestication" means the articles of domestication required by s. 608.1055. The term includes the articles of domestication as amended or restated.

(5) "Articles of interest exchange" means the articles of interest exchange required by s. 608.1035. The term includes the articles of interest exchange as amended or restated.

(6) "Articles of merger" means the articles of merger required by under s. 608.1025. The term includes the articles of merger as amended or restated.

(7) "Articles of organization" means the articles of organization required by s. 608.201. The term includes the articles of organization as amended or restated.

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

(a) In the case of an existing limited liability company, the term "authorized representative" means, with respect to the execution and filing of a record with the Department of State or taking any other action required or permitted by this chapter;

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

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

3. An agent or officer of the limited liability company who has been granted the authority to do so by such a manager or such a member, or pursuant to the operating agreement of the

59 limited liability company.

60 (b) In the case of a foreign limited liability company or
61 any other entity, the term "authorized representative" means,
62 with respect to the execution and filing of a record with the
63 Department of State or taking any other action required or
64 permitted by this chapter, any person who is authorized to file
65 such record or take such other action on behalf of the foreign
66 limited liability company or other entity.

67 (9) "Business day" means Monday through Friday, excluding
68 any day a national banking association is not open for normal
69 business transactions.

70 (10) "Contribution" except in the phrase "right of
71 contribution," means property or a benefit described in s.
72 608.4021 which is provided by a person to a limited liability
73 company to become a member or in the person's capacity as a
74 member.

75 (11) "Conversion" means a transaction authorized by ss.
76 608.1041-608.1046.

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

79 (13) "Converting entity" means the domestic entity that
80 approves a plan of conversion pursuant to s. 608.1043 or the
81 foreign entity that approves a conversion pursuant to the
82 organic law of its jurisdiction of formation.

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

84 (15) "Debtor in bankruptcy" means a person that is the
85 subject of:

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

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

90 (16) "Distribution" means a transfer of money or other
91 property from a limited liability company to a person on account
92 of a transferable interest or in the person's capacity as a
93 member.

94 (a) The term includes:

95 1. a redemption or other purchase by a limited liability
96 company of a transferable interest; and

97 2. a transfer to a member in return for the member's
98 relinquishment of any right to participate as a member in the
99 management or conduct of the company's activities and affairs or
100 to have access to records or other information concerning the
101 company's activities and affairs.

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

106 (17) "Distributional interest" means the rights under an
107 unincorporated entity's organic law and organic rules to receive
108 distributions from the entity.

109 (18) "Domestic," with respect to an entity, means an
110 entity whose jurisdiction of formation is this state.

111 (19) "Domesticated limited liability company" means the
112 domesticating entity as it continues in existence after a
113 domestication.

114 (20) "Domesticating entity" means a non-United States
115 entity that approves a domestication pursuant to the law of its
116 jurisdiction of formation.

117 (21) "Domestication" means a transaction authorized by ss.
118 608.1051-608.1056.

119 (22) "Entity" means:
120 (a) A business corporation;
121 (b) A nonprofit corporation;
122 (c) A general partnership, including a limited liability
123 partnership;
124 (d) A limited partnership, including a limited liability
125 limited partnership;
126 (e) A limited liability company;
127 (f) A real estate investment trust; or
128 (g) Any other domestic or foreign entity that is organized
129 under an organic law, but does not include:
130 1. An individual;
131 2. A trust with a predominantly donative purpose or a
132 charitable trust;
133 3. An association or relationship that is not a
134 partnership solely by reason of s. 620.8202(3) or a similar
135 provision of the law of another jurisdiction;
136 4. A decedent's estate; or
137 5. A government or a governmental subdivision, agency, or
138 instrumentality.
139 (23) "Filing entity" means an entity whose formation
140 requires the filing of a public organic record.
141 (24) "Foreign," with respect to an entity, means an entity
142 whose jurisdiction of formation is a jurisdiction other than
143 this state.
144 (25) "Foreign limited liability company" means an
145 unincorporated entity whose jurisdiction of formation is other

146 than this state and is denominated by that law as a limited
147 liability company.

148 (26) "Governance interest" means a right under the organic
149 law or organic rules of an unincorporated entity, other than as
150 a governor, agent, assignee, or proxy, to:

151 (a) Receive or demand access to information concerning, or
152 the books and records of, the entity;

153 (b) Vote for or consent to the election of the governors
154 of the entity; or

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

157 (27) "Governor" means:

158 (a) A director of a business corporation;

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

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

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

162 (e) A manager of a manager-managed limited liability
163 company;

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

166 (g) A director or a trustee of a real estate investment
167 trust; or

168 (h) Any other person under whose authority the powers of
169 an entity are exercised and under whose direction the activities
170 and affairs of the entity are managed pursuant to the organic
171 law and organic rules of the entity.

172 (28) "Interest" means:

173 (a) A share in a business corporation;

174 (b) A membership in a nonprofit corporation;

175 (c) A partnership interest in a general partnership;
176 (d) A partnership interest in a limited partnership;
177 (e) A membership interest in a limited liability company;
178 (f) A share or beneficial interest in a real estate
179 investment trust;

180 (g) A member's interest in a limited cooperative
181 association;
182 (h) A beneficial interest in a statutory trust, business
183 trust, or common-law business trust; or
184 (i) A governance interest or distributional interest in
185 any other entity.

186 (29) "Interest exchange" means a transaction authorized by
187 ss. 608.1031-608.1036.

188 (30) "Interest holder" means:
189 (a) A shareholder of a business corporation;
190 (b) A member of a nonprofit corporation;
191 (c) A general partner of a general partnership;
192 (d) A general partner of a limited partnership;
193 (e) A limited partner of a limited partnership;
194 (f) A member of a limited liability company;
195 (g) A shareholder or beneficial owner of a real estate
196 investment trust;

197 (h) A beneficiary or beneficial owner of a statutory
198 trust, business trust, or common-law business trust; or
199 (i) Any other direct holder of an interest.

200 (31) "Interest holder liability" means:
201 (a) personal liability for a liability of an entity which
202 is imposed on a person:
203 (1) solely by reason of the status of the person as an

204 interest holder; or

205 (2) by the organic rules of the entity which make one or
206 more specified interest holders or categories of interest
207 holders liable in their capacity as interest holders for all or
208 specified liabilities of the entity; or

209 (b) an obligation of an interest holder under the organic
210 rules of an entity to contribute to the entity.

211 (32) "Jurisdiction," used to refer to a political entity,
212 means the United States, a state, a foreign country or a
213 political subdivision of a foreign country.

214 (33) "Jurisdiction of formation" means, with respect to an
215 entity:

216 (a) the jurisdiction under whose organic law the entity is
217 formed, incorporated, created or otherwise came into being;
218 provided, however, that for these purposes, if an entity exists
219 under the law of a jurisdiction different from the jurisdiction
220 under which the entity originally was formed, incorporated,
221 created or otherwise came into being, then the jurisdiction
222 under which the entity then exists shall be treated as the
223 jurisdiction of formation; or

224 (b) in the case of a limited liability partnership or
225 foreign limited liability partnership, the jurisdiction in which
226 the partnership's statement of qualification or equivalent
227 document is filed.

228 (34) "Legal representative" means, as to a natural
229 person, the personal representative, executor, guardian,
230 conservator or other person who is empowered by applicable law
231 with the authority to act on behalf of the natural person, and,
232 as to a person other than a natural person, a person who is

233 empowered by applicable law with the authority to act on behalf
234 of the person.

235 (35) "Limited liability company" or "company," except in
236 the phrase "foreign limited liability company," means an entity
237 formed or existing under this chapter, or an entity that becomes
238 subject to this chapter under the provisions of ss. 608.1001-
239 608.1072.

240 (36) "Majority-in-interest" means those members holding
241 more than 50 percent of the then current percentage or other
242 interest in the profits or interests in the limited liability
243 company who have the right to vote; provided that for purposes
244 of ss. 608.1001-608.1072, "majority-in-interest" means:

245 (a) in the case of a limited liability company with only
246 one class or series of members, the holders of more than 50
247 percent of the then current percentage or other interest in the
248 profits or interests in the company who have the right to
249 approve a merger, interest exchange or conversion, under the
250 organic law or the organic rules of the company; and

251 (b) in the case of a limited liability company having more
252 than one class or series of members, the holders in each class
253 or series of more than 50 percent of the then current percentage
254 or other interest in the profits or interests in that class or
255 series who have the right to approve a merger, interest exchange
256 or conversion under the organic law or the organic rules of the
257 company, unless the company's organic rules provide for the
258 approval of the transaction in a different manner.

259 (37) "Manager" means a person that, under the operating
260 agreement of a manager-managed limited liability company, is
261 responsible, alone or in concert with others, for performing the

262 management functions stated in s. 608.4071(3).

263 (38) "Manager-managed limited liability company" means a
264 limited liability company that is manager-managed by virtue of
265 the operation of s. 608.4071(1).

266 (39) "Member" means a person that:

267 (a) Has become a member of a limited liability company
268 under s. 608.4011 or was a member in a company when the company
269 become subject to this chapter under s. 608.1108; and

270 (b) Has not dissociated under s. 608.602.

271 (40) "Member-managed limited liability company" means a
272 limited liability company that is not a manager-managed limited
273 liability company.

274 (41) "Merger" means a transaction authorized by ss.
275 608.1021-608.1026.

276 (42) "Merging entity" means an entity that is a party to a
277 merger and exists immediately before the merger becomes
278 effective.

279 (43) "Non United States entity" means a foreign entity
280 other than an entity with a jurisdiction of formation that is a
281 state.

282 (44) "Operating agreement" means the agreement, whether or
283 not referred to as an operating agreement and whether oral,
284 implied, in a record, or in any combination thereof, of the
285 members of a limited liability company, including a sole member,
286 concerning the matters described in s. 608.105(a). The term
287 includes the agreement as amended or restated.

288 (45) "Organic law" means the law of an entity's
289 jurisdiction of formation.

290 (46) "Organic rules" means the public organic record and

291 private organic rules of an entity.

292 (47) "Person" means an individual, business corporation,
293 nonprofit corporation, partnership, limited partnership, limited
294 liability company, limited cooperative association,
295 unincorporated nonprofit association, statutory trust, business
296 trust, common-law business trust, estate, trust, association,
297 joint venture, public corporation, government or governmental
298 subdivision, agency, or instrumentality, or any other legal or
299 commercial entity.

300 (48) "Plan" means a plan of merger, plan of interest
301 exchange, plan of conversion, or plan of domestication, as
302 appropriate in the particular context.

303 (49) "Plan of conversion" means a plan under s. 608.1042.
304 The term includes the plan of conversion as amended or restated.

305 (50) "Plan of domestication" means a plan under s.
306 608.1052. The term includes the plan of domestication as amended
307 or restated.

308 (51) "Plan of interest exchange" means a plan under
309 s. 608.1032. The term includes the plan of interest exchange as
310 amended or restated.

311 (52) "Plan of merger" means a plan under s. 608.1022. The
312 term includes the plan of merger as amended or restated.

313 (53) "Principal office" means the principal executive
314 office of a limited liability company or foreign limited
315 liability company, whether or not the office is located in this
316 state.

317 (54) "Private organic rules" means the rules, whether or
318 not in a record, that govern the internal affairs of an entity,
319 are binding on all its interest holders, and are not part of its

320 public organic record, if any. The term includes:

321 (a) The bylaws of a business corporation;

322 (b) The bylaws of a nonprofit corporation;

323 (c) The partnership agreement of a general partnership;

324 (d) The partnership agreement of a limited partnership;

325 (e) The operating agreement of a limited liability

326 company;

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

328 real estate investment trust;

329 and

330 (g) The trust instrument of a statutory trust or similar

331 rules of a business trust or common-law business trust.

332 (55) "Property" means all property, whether real,

333 personal, or mixed or tangible or intangible, or any right or

334 interest therein.

335 (56) "Protected agreement" means:

336 (a) A record evidencing indebtedness and any related

337 agreement in effect on January 1, 2014;

338 (b) An agreement that is binding on an entity on January

339 1, 2014;

340 (c) The organic rules of an entity in effect on January 1,

341 2014; or

342 (d) An agreement that is binding on any of the governors

343 or interest holders of an entity on January 1, 2014.

344 (57) "Public organic record" means the record the filing

345 of which by a governmental body is required to form an entity

346 and any amendment to or restatement of that record. The term

347 includes:

348 (a) The articles of incorporation of a business

349 corporation;

350 (b) The articles of incorporation of a nonprofit

351 corporation;

352 (c) The certificate of limited partnership of a limited

353 partnership;

354 (d) The articles of organization of a limited liability

355 company;

356 (e) The articles of incorporation of a general cooperative

357 association or a limited cooperative association;

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

359 similar record of a business trust; or

360 (g) The articles of incorporation of a real estate

361 investment trust.

362 (58) "Record", used as a noun, means information that is

363 inscribed on a tangible medium or that is stored in an

364 electronic or other medium and is retrievable in perceivable

365 form.

366 (59) "Registered foreign entity" means a foreign entity

367 that is authorized to transact business in this state pursuant

368 to a record filed with the Department of State.

369 (60) "Registered foreign limited liability company" means

370 a foreign limited liability company that has a certificate of

371 authority to transact business in this state pursuant to a

372 record filed with the Department of State.

373 (61) "Sign" means, with present intent to authenticate or

374 adopt a record:

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

376 (b) To attach to or logically associate with the record an

377 electronic symbol, sound, or process; --and includes a manual,

378 facsimile, conformed or electronic signature. "Signed" and
379 "Signature" have the corresponding meanings.

380 (62) "State" means a state of the United States, the
381 District of Columbia, Puerto Rico, the United States Virgin
382 Islands, or any territory or insular possession subject to the
383 jurisdiction of the United States.

384 (63) "Surviving entity" means the entity that continues in
385 existence after or is created by a merger.

386 (64) "Transfer" includes:

387 (a) An assignment;

388 (b) A conveyance;

389 (c) A sale;

390 (d) A lease;

391 (e) An encumbrance, including a mortgage or security
392 interest;

393 (f) A gift; and

394 (g) A transfer by operation of law.

395 (65) "Transferable interest" means the right, as initially
396 owned by a person in the person's capacity as a member, to
397 receive distributions from a limited liability company in
398 accordance with the operating agreement, whether or not the
399 person remains a member or continues to own any part of the
400 right. The term applies to any fraction of the interest, by
401 whomever owned.

402 (66) "Transferee" means a person to which all or part of a
403 transferable interest has been transferred, whether or not the
404 transferor is a member. The term includes a person that owns a
405 transferable interest under s. 608.603(1)(c).

406 (67) "Type of entity" means a generic form of entity:

407 (a) Recognized at common law; or
408 (b) Formed under an organic law, whether or not some of
409 the entities formed under that organic law are subject to
410 provisions of that law that create different categories of the
411 form of entity.

412 (68) "Writing" means printing, typewriting, electronic
413 communication or other intentional communication that is
414 reducible to a tangible form. "Written" has the corresponding
415 meaning.

416 608.103 Knowledge; notice.-

417 (1) A person knows a fact if the person:
418 (a) Has actual knowledge of it; or
419 (b) Is deemed to know it under subsection (4)(a) or (4)(b)
420 or a law other than this chapter.

421 (2) A person has notice of a fact when the person:
422 (a) Has reason to know the fact from all of the facts
423 known to the person at the time in question; or
424 (b) Is deemed to have notice of the fact under subsection
425 (4)(c);

426 (3) Subject to s. 608.210(8), a person notifies another
427 person of a fact by taking steps reasonably required to inform
428 the other person in ordinary course, whether or not those steps
429 cause the other person to know the fact.

430 (4) A person that is not a member is deemed:
431 (a) To know of a limitation on authority to transfer real
432 property as provided in s. 608.302(7);
433 (b) To know of the authority or limitation on the
434 authority of a person holding a position or having a specified
435 status in a company, or to know of the authority or limitation

436 on the authority of a specific person, if the authority or
437 limitation on the authority is described in the articles of
438 organization in accordance with s. 608.201(3)(d); provided that
439 if that description has been added or changed by an amendment or
440 an amendment and restatement of the articles of organization,
441 notice of the addition or change shall not become effective
442 until 90 days after the effective date of the amendment or
443 amendment and restatement; and

444 (c) To have notice of a limited liability company's:
445 1. Declaration in its articles of organization that it is
446 "manager-managed" in accordance with s. 608.201(3)(a); provided
447 that if such a declaration has been added or changed by an
448 amendment or restatement of the articles of organization, notice
449 of the addition or change shall not become effective until 90
450 days after the effective date of such amendment or restatement;
451 2. Dissolution, 90 days after articles of dissolution
452 filed under s. 608.707 becomes effective;
453 3. Termination, 90 days after a statement of termination
454 filed under s. 608.709(7) becomes effective; and
455 4. Participation in a merger, interest exchange,
456 conversion or domestication, 90 days after the articles of
457 merger, articles of interest exchange, articles of conversion or
458 articles of domestication under ss. 608.1001-608.1072, as
459 applicable, become effective.

460 608.104 Governing law.—The law of this state governs:
461 (1) The internal affairs of a limited liability company;
462 and
463 (2) The liability of a member as member and a manager as
464 manager for the debts, obligations, or other liabilities of a

465 limited liability company.

466 608.105 Operating agreement; scope, function, and
467 limitations.—

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

470 (a) Relations among the members as members and between the
471 members and the limited liability company;

472 (b) The rights and duties under this chapter of a person
473 in the capacity of manager;

474 (c) The activities and affairs of the company and the
475 conduct of those activities and affairs; and

476 (d) The means and conditions for amending the operating
477 agreement.

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

481 (3) An operating agreement may not:

482 (a) Vary a limited liability company's capacity under s.
483 608.109 to sue and be sued in its own name;

484 (b) Vary the law applicable under s. 608.104;

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

487 1. Registered agents; or

488 2. The Department of State, including provisions

489 pertaining to records authorized or required to be delivered to
490 the Department of State for filing under this chapter;

491 (d) Vary the provisions of s. 608.204;

492 (e) Eliminate the duty of loyalty or the duty of care
493 under s. 608.4091, except as otherwise provided in subsection

494 (4) of this s. 608.105.

495 (f) Eliminate the obligation of good faith and fair
496 dealing under s. 608.4091, but the operating agreement may
497 prescribe the standards by which the performance of the
498 obligation is to be measured, if the standards are not
499 manifestly unreasonable;

500 (g) Relieve or exonerate a person from liability for
501 conduct involving bad faith, willful or intentional misconduct,
502 or a knowing violation of law;

503 (h) Unreasonably restrict the duties and rights stated in
504 s. 608.4105, but the operating agreement may impose reasonable
505 restrictions on the availability and use of information obtained
506 under that section and may define appropriate remedies,
507 including liquidating damages, for a breach of any reasonable
508 restriction on use;

509 (i) Vary the power of a person to dissociate under s.
510 608.6011 except to require that the notice under s. 608.602(1)
511 be in a record;

512 (j) Vary the grounds for dissolution specified in s.
513 608.7021(2);

514 (k) Vary the requirement to wind up the company's
515 business, activities and affairs as specified in ss. 608.709(1),
516 (2)(a), and (5);

517 (l) Unreasonably restrict the right of a member to
518 maintain an action under ss. 608.801-608.806:

519 (m) Vary the provisions of s. 608.804, but the operating
520 agreement may provide that the company may not appoint a special
521 litigation committee provided, however, the operating agreement
522 may not prevent a court from appointing a special litigation

523 committee;

524 (n) Vary the required contents of plan of merger under s.
525 608.1022, a plan of interest exchange under s. 608.1032, a plan
526 of conversion under s. 608.1042, or a plan of domestication
527 under s. 608.1052;

528 (o) Except as otherwise provided in ss. 608.106 and
529 608.107(2), restrict the rights under this chapter of a person
530 other than a member or manager; or

531 (p) Provide for indemnification for a member or manager
532 under s. 608.4083 for any of the following:

533 1. Conduct involving bad faith, willful or intentional
534 misconduct or a knowing violation of law;
535 2. A transaction from which the member or manager derived
536 an improper personal benefit;
537 3. A circumstance under which the liability provisions of
538 s. 608.4062 are applicable; or
539 4. Any breach of duties or obligations under s. 608.4091,
540 taking into account any variation of such duties and obligations
541 provided for in the operating agreement to the extent allowed by
542 subsection (4) of this s. 608.105.

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

546 (a) The operating agreement may:

547 1. specify the method by which a specific act or
548 transaction that would otherwise violate the duty of loyalty may
549 be authorized or ratified by one or more disinterested and
550 independent persons after full disclosure of all material facts;
551 2. alter the prohibition stated in s. 608.4051(1)(b)

552 so that the prohibition requires solely that the company's total
553 assets not be less than the sum of its total liabilities.

554 (b) To the extent the operating agreement of a member-
555 managed limited liability expressly relieves a member of
556 responsibility that the member would otherwise have under this
557 chapter and imposes the responsibility on one or more other
558 members, the operating agreement may, to the benefit of the
559 member that the operating agreement relieves of the
560 responsibility, also eliminate or limit any duty or obligation
561 that would have pertained to the responsibility; and

562 (c) If not manifestly unreasonable, the operating
563 agreement may:

564 1. Alter or eliminate the aspects of the duty of loyalty
565 stated in s. 608.4091(2);

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

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

570 (5) The court shall decide as a matter of law whether a
571 term of an operating agreement is manifestly unreasonable under
572 subsection (3)(f) or (4)(c). The court:

573 (a) Shall make its determination as of the time the
574 challenged term became part of the operating agreement and by
575 considering only circumstances existing at that time; and

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

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

580 2. The term is an unreasonable means to achieve the

581 provision's objective.

582 (6) An operating agreement may provide for specific
583 penalties or specified consequences, including those described
584 in s. 608.4031(5), in the event a member or transferee fails to
585 comply with the terms and conditions of the operating agreement,
586 or upon the happening of other events specified in the operating
587 agreement.

588 608.106 Operating agreement; effect on limited liability
589 company and person becoming member; preformation agreement;
590 other matters involving operating agreement.—

591 (1) A limited liability company is bound by and may
592 enforce the operating agreement, whether or not the company has
593 itself manifested assent to the operating agreement.

594 (2) A person that becomes a member of a limited liability
595 company is deemed to assent to, is bound by and may enforce the
596 operating agreement, whether or not the member executes the
597 operating agreement.

598 (3) Two or more persons intending to become the initial
599 members of a limited liability company may make an agreement
600 providing that upon the formation of the company the agreement
601 will become the operating agreement. One person intending to
602 become the initial member of a limited liability company may
603 assent to terms providing that upon the formation of the company
604 the terms will become the operating agreement.

605 (4) A manager of a limited liability company or a
606 transferee is bound by the operating agreement whether or not
607 the manager or transferee has manifested assent to the operating
608 agreement.

609 (5) An operating agreement of a limited liability company

610 having only one member shall not be unenforceable by reason of
611 there being only one person who is a party to the operating
612 agreement.

613 (6) Except as provided in s. 608.4031(1), an operating
614 agreement is not subject to any statute of frauds.

615 (7) An operating agreement may provide rights to any
616 person, including a person who is not a party to the operating
617 agreement, to the extent set forth therein.

618 (8) A written operating agreement or another record:

619 (a) May provide that a person shall be admitted as a
620 member of a limited liability company, or shall become a
621 transferee of a limited liability company interest or other
622 rights or powers of a member to the extent assigned:

623 1. If such person (or a representative authorized by such
624 person orally, in writing or by other action such as payment for
625 a limited liability company interest) executes the operating
626 agreement or any other record evidencing the intent of such
627 person to become a member or transferee; or

628 2. Without such execution, if such person (or a
629 representative authorized by such person orally, in writing or
630 by other action such as payment for a limited liability company
631 interest) complies with the conditions for becoming a member or
632 transferee as set forth in the operating agreement or any other
633 record; and

634 (b) Shall not be unenforceable by reason of its not having
635 been signed by a person being admitted as a member or becoming
636 an transferee as provided in subparagraph (8)(a) of this
637 section, or by reason of its having been signed by a
638 representative as provided in this chapter.

639 608.107 Operating agreement; effect on third parties and
640 relationship to records effective on behalf of limited liability
641 company.—

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

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

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

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

659 (3) If a record delivered to the Department of State for
660 filing becomes effective under this chapter and contains a
661 provision that would be ineffective under s. 608.105(3) or
662 s. 608.105(4)(c) if contained in the operating agreement, the
663 provision is ineffective in the record.

664 (4) Subject to subsection (3), if a record that has been
665 delivered to the Department of State for filing, and which has
666 become effective under this chapter, conflicts with a provision
667 of the operating agreement:

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

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

672 608.108 Nature, purpose, and duration of limited liability
673 company.-

674 (1) A limited liability company is an entity distinct from
675 its members.

676 (2) A limited liability company may have any lawful
677 purpose, regardless of whether for profit.

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

679 608.109 Powers.-A limited liability company has the
680 powers, rights, and privileges granted by this chapter, any
681 other law or by its operating agreement to do all things
682 necessary or convenient to carry on its activities and affairs,
683 including the power to:

684 (1) Sue and be sued, and defend, in its name;

685 (2) Purchase, receive, lease, or otherwise acquire, own,
686 hold, improve, use, and otherwise deal with real or personal
687 property, or any legal or equitable interest in property,
688 wherever located;

689 3) Sell, convey, mortgage, grant a security interest in,
690 lease, exchange, and otherwise encumber or dispose of all or any
691 part of its property;

692 (4) Purchase, receive, subscribe for, or otherwise
693 acquire, own, hold, vote, use, sell, mortgage, lend, grant a
694 security interest in, or otherwise dispose of and deal in and
695 with, shares or other interests in or obligations of any other
696 entity;

697 (5) Make contracts or guarantees, or incur liabilities;
698 borrow money; issue its notes, bonds, or other obligations,
699 which may be convertible into or include the option to purchase
700 other securities of the limited liability company; or make
701 contracts of guaranty and suretyship which are necessary or
702 convenient to the conduct, promotion, or attainment of the
703 purposes activities and affairs of the limited liability
704 company;

705 (6) Lend money, invest or reinvest its funds, and receive
706 and hold real or personal property as security for repayment;

707 (7) Conduct its business, locate offices, and exercise the
708 powers granted by this chapter within or without this state;

709 (8) Select managers and appoint officers, directors,
710 employees, and agents of the limited liability company, define
711 their duties, fix their compensation, and lend them money and
712 credit.

713 (9) Make donations for the public welfare or for
714 charitable, scientific, or educational purposes;

715 (10) Pay pensions and establish pension plans, pension
716 trusts, profit-sharing plans, bonus plans, option plans, and
717 benefit or incentive plans for any or all of its current or
718 former managers, members, officers, agents, and employees;

719 (11) Be a promoter, incorporator, shareholder, partner,
720 member, associate, or manager of any corporation, partnership,
721 joint venture, trust, or other entity;

722 (12) Make payments or donations or do any other act not
723 inconsistent with law that furthers the business of the limited
724 liability company;

725 (13) Enter into interest rate, basis, currency, hedge or

726 other swap agreements or cap, floor, put, call, option, exchange
727 or collar agreements, derivative agreements, or other agreements
728 similar to any of the foregoing; and

729 (14) To grant, hold or exercise a power of attorney,
730 including an irrevocable power of attorney.

731 608.110 Limited liability company property.—

732 (1) All property originally contributed to the limited
733 liability company or subsequently acquired by a limited
734 liability company by purchase or otherwise is limited liability
735 company property.

736 (2) Property acquired with limited liability company funds
737 is limited liability company property.

738 (3) Instruments and documents providing for the
739 acquisition, mortgage, or disposition of property of the limited
740 liability company shall be valid and binding upon the limited
741 liability company, if they are executed in accordance with this
742 chapter.

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

745 608.111 Rules of construction and supplemental principles
746 of law.—

747 (1) It is the policy of this chapter to give the maximum
748 effect to the principle of freedom of contract and to the
749 enforceability of operating agreements, including for purposes
750 of ss. 608.105-608.107.

751 (2) Unless displaced by particular provisions of this
752 chapter, the principles of law and equity supplement this
753 chapter.

754 608.112 Name.—

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

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

758 (b) Must be distinguishable in the records of the
759 Department of State from the names of all other entities or
760 filings, except fictitious name registrations pursuant to s.
761 865.09, organized, registered or reserved under the laws of this
762 state, which names are on file with the Department of State;

763 (c) May not contain language stating or implying that the
764 limited liability company is organized for a purpose other than
765 that permitted in this chapter and its articles of organization;
766 and

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

771 (2) Subject to s. 608.905, this section applies to a
772 foreign limited liability company transacting business in this
773 state which has a certificate of authority to transact business
774 in this state or which has applied for a certificate of
775 authority.

776 (3) In the case of any limited liability company in
777 existence prior to July 1, 2007, and registered with the
778 Department of State, the requirement in this section that the
779 name of a limited liability company be distinguishable from the
780 names of other entities and filings shall not apply except when
781 the limited liability company files documents on or after July
782 1, 2007 that would otherwise have affected its name.

783 (4) Any limited liability company in existence prior to

784 January 1, 2014, which was registered with the Department of
785 State and is using an abbreviation or designation in its name
786 permitted under prior law, shall be permitted to continue using
787 such an abbreviation or designation in its name until it
788 dissolves or amends its name on the records of the Department of
789 State.

790 (5) The name of the limited liability company shall be
791 filed with the Department of State for public notice only and
792 shall not alone create any presumption of ownership beyond that
793 which is created under the common law.

794 608.113 Registered agent.—

795 (1) Each limited liability company and each foreign limited
796 liability company that has a certificate of authority under s.
797 608.902 shall designate and continuously maintain in this state:

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

800 (b) A registered agent, which agent may be either:

801 1. An individual who resides in this state whose business
802 address is identical with such registered office; or
803 2. A foreign or domestic entity authorized to transact
804 business in this state, having a business office identical with
805 such registered office.

806 (2) Each initial registered agent, and each successor
807 registered agent that may be appointed in accordance with this
808 chapter, shall file a statement in writing with the Department
809 of State, in such form and manner as prescribed by the
810 Department of State, accepting the appointment as registered
811 agent simultaneously with being designated. Such statement of
812 acceptance shall state that the registered agent is familiar

813 with, and accepts, the obligations of that position as provided
814 for in this chapter.

815 (3) The only duties under this chapter of a registered
816 agent that has complied with this chapter are:

817 (a) To forward to the limited liability company or
818 registered foreign limited liability company at the address most
819 recently supplied to the agent by the company any process,
820 notice, or demand pertaining to the company or foreign limited
821 liability company which is served on or received by the agent;
822 and

823 (b) If the registered agent resigns, to provide the notice
824 required by s. 608.115 to the company or foreign limited
825 liability company at the address most recently supplied to the
826 agent by the company or foreign limited liability company.

827 (4) The Department of State shall maintain an accurate
828 record of the registered agents and registered office for the
829 service of process and shall furnish any information disclosed
830 thereby promptly upon request and payment of the required fee.

831 (5) A limited liability company and each foreign limited
832 liability company that has a certificate of authority under s.
833 608.902 may not prosecute, maintain, or defend any action in
834 any court until the limited liability company complies with the
835 provisions of this section and pays to the Department of State a
836 penalty of \$5 for each day it has failed to comply or \$500,
837 whichever is less, and pays any other amount required under this
838 chapter.

839 608.114 Change of registered agent or registered office.-

840 (1) In order to change its registered agent or registered
841 office address, a limited liability company or a foreign limited

liability company may deliver to the Department of State for
filing a statement of change containing:

(a) The name of the limited liability company or foreign
limited liability company;

(b) The name of its current registered agent;

(c) If the registered agent is to be changed, the name of
the new registered agent;

(d) The street address of its current registered office
for its registered agent; and

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

(2) If the registered agent is to be changed, the written
acceptance of the successor registered agent described in s.
608.113(2) must also be included in or attached to the statement
of change.

(3) A statement of change is effective when filed by the
Department of State or such later time permitted by s. 608.207.

(4) The changes described in this section may also be made
on the limited liability company's or foreign limited liability
company's annual report or an application for reinstatement
filed with the Department of State under s. 608.715(1) or in an
amendment to a foreign limited liability company's certificate
of authority in accordance with s. 608.906.

608.115 Resignation of registered agent.—

(1) A registered agent may resign as agent for a limited
liability company or foreign limited liability company by
delivering to the Department of State for filing a signed
statement of resignation containing the name of the limited

liability company or foreign limited liability company.

(2) After filing the statement with the Department of State, the registered agent shall mail a copy to the limited liability company's or foreign limited liability company's current mailing address.

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

(a) the 31st day after the Department of State files the statement of resignation; or
(b) when a statement of change or other record for designating a new registered agent under this chapter has been filed by the Department of State.

(4) When a statement of resignation takes effect, the registered agent ceases to have responsibility under this chapter for any matter thereafter tendered to it as agent for the limited liability company or foreign limited liability company. The resignation does not affect any contractual rights the company or foreign limited liability company has against the agent or that the agent has against the company or the foreign limited liability company.

(5) A registered agent may resign with respect to a limited liability company or foreign limited liability company whether or not the company or foreign limited liability company is of active status.

608.116 Change of name or address by registered agent.—

(1) If a registered agent changes its name or address, the agent may deliver to the Department of State for filing a statement of change that states:

(a) the name of the limited liability company or foreign limited liability company represented by the registered agent;

900 (b) the name of the agent as currently shown in the
901 records of the Department of State for the company or foreign
902 limited liability company;

903 (c) if the name of the agent has changed, its new name;

904 (d) if the address of the agent has changed, its new
905 address; and

906 (e) the registered agent has given the notice required by
907 subsection (2).

908 (2) A registered agent promptly shall furnish notice to
909 the represented limited liability company or foreign limited
910 liability company of the filing by the Department of State of
911 the statement of change and the changes made by the statement.

912 608.117 Service of process, notice, or demand.—

913 (1) A limited liability company or registered foreign
914 limited liability company may be served with any process,
915 notice, or demand required or permitted by law by serving its
916 registered agent.

917 (2) If a limited liability company or registered foreign
918 limited liability company ceases to have a registered agent, or
919 if its registered agent cannot with reasonable diligence be
920 served, the process, notice, or demand required or permitted by
921 law may instead be served:

922 (a) On any member of a member-managed limited liability
923 company; or

924 (b) On any manager of manager-managed limited liability
925 company.

926 (3) If the process, notice, or demand cannot be served on
927 a limited liability company or registered foreign limited
928 liability company pursuant to subsection (1) or (2), then the

929 Department of State shall also be an agent of the company upon
930 whom process, notice, or demand may be served.

931 (4) Service of any process, notice, or demand on the
932 Department of State may be made by delivering to and leaving
933 with the Department of State duplicate copies of the process,
934 notice, or demand.

935 (5) Service is effected under subsection (3) upon the date
936 shown as having been received by the Department of State.

937 (6) The Department of State shall keep a record of each
938 process, notice, and demand served pursuant to this section and
939 record the time of, and the action taken regarding, the service.

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

942 608.118 Delivery of record.-

943 (1) Except as otherwise provided in this chapter,
944 permissible means of delivery of a record include delivery by
945 hand, the United States Postal Service, a commercial delivery
946 service, and electronic transmission.

947 (2) Delivery to the Department of State is effective only
948 when a record is received by the Department of State.

949 608.119 Waiver of Notice. When, under the provisions of
950 this chapter or under the provisions of the articles of
951 organization or operating agreement of a limited liability
952 company, notice is required to be given to a member of a limited
953 liability company or to a manager of a limited liability company
954 having a manager or managers, a waiver in writing signed by the
955 person or persons entitled to the notice, whether made before or
956 after the time for notice to be given, is equivalent to the
957 giving of notice.

958 608.201 Formation of limited liability company; articles
959 of organization.—

960 (1) One or more persons may act as authorized
961 representatives to form a limited liability company by signing
962 and delivering to the Department of State for filing articles of
963 organization.

964 (2) The articles of organization must state:
965 (a) The name of the limited liability company, which must
966 comply with s. 608.112;

967 (b) The street and mailing addresses of company's
968 principal office; and

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

971 (3) The articles of organization may contain statements as
972 to matters other than those required by subsection (2), but may
973 not vary or otherwise affect the provisions specified in s.
974 608.105(3) in a manner inconsistent with that section. Any
975 additional statements may include the following:

976 (a) A declaration whether the limited liability company is
977 "manager-managed" for purposes of s. 608.4071 and other relevant
978 provisions of this chapter;

979 (b) In a manager-managed limited liability company, the
980 names and addresses of one or more of the managers of the
981 company;

982 (c) In a member-managed limited liability company, the
983 names and addresses of one or more of the members of the
984 company;

985 (d) A description of the authority or limitation on the
986 authority of a person holding a position or having a specified

987 status in a company, or a description of the authority or
988 limitation on the authority of a specific person; or
989 (e) Any other matters.
990 (4) A limited liability company is formed when (i) the
991 company's articles of organization become effective under s.
992 608.207, and (ii) at least one person becomes a member at the
993 time when the articles of organization become effective. The
994 person who signs the articles of organization affirms that the
995 company has or will have at least one member as of the time the
996 articles of organization become effective.

997 608.202 Amendment or restatement of articles of
998 organization.—

999 (1) The articles of organization may be amended or
1000 restated at any time.

1001 (2) To amend its articles of organization, a limited
1002 liability company must deliver to the Department of State for
1003 filing an amendment, designated as such in its heading,
1004 containing:

1005 (a) The present name of the company;
1006 (b) The date of filing of its articles of organization;
1007 (c) The amendment to the articles of organization; and
1008 (d) The delayed effective date, pursuant to s. 608.207, if
1009 the amendment is not effective on the date the Department of
1010 State files the amendment.

1011 (3) To restate its articles of organization, a limited
1012 liability company must deliver to the Department of State for
1013 filing an instrument, entitled "Restatement of Articles of
1014 Organization," containing:

1015 (a) The present name of the company;

1016 (b) The date of the filing of its articles of
1017 organization;
1018 (c) All of the provisions of its articles of organization
1019 in effect, as restated; and
1020 (d) The delayed effective date, pursuant to s. 608.207, if
1021 the restatement is not effective on the date the Department of
1022 State files the restatement.

1023 (4) A restatement of the articles of organization of a
1024 limited liability company may also contain one or more
1025 amendments of the then in effect articles of organization, in
1026 which case the instrument must be entitled "Amended and Restated
1027 Articles of Organization."

1028 (5) If a member of a member-managed limited liability
1029 company, or a manager of a manager-managed limited liability
1030 company, knows that any information in filed articles of
1031 organization was inaccurate when the articles of organization
1032 were filed or has become inaccurate owing to changed
1033 circumstances, the member or manager shall promptly:

1034 (a) Cause the articles of organization to be amended; or
1035 (b) If appropriate, deliver to the Department of State for
1036 filing a statement of change under s. 608.114 or a statement of
1037 correction under s. 608.209.

1038 608.203 Signing of records to be delivered for filing to
1039 Department of State.-

1040 (1) A record delivered to the Department of State for
1041 filing pursuant to this chapter must be signed as follows:

1042 (a) Except as otherwise provided in paragraphs (b) and (c)
1043 of this subsection (1), a record signed on behalf of a limited
1044 liability company must be signed by a person authorized by the

1045 company;

1046 (b) A company's initial articles of organization must be
1047 signed by at least one person acting as an authorized
1048 representative. The articles of organization must also include
1049 or have attached to it a statement signed by its initial
1050 registered agent in the form described in s. 608.113(2);

1051 (c) A record delivered on behalf of a dissolved company
1052 that has no member must be signed by the person winding up the
1053 company's activities and affairs under s. 608.709(3) or a person
1054 appointed under s. 608.709(4) to wind up the activities and
1055 affairs;

1056 (d) A statement of denial by a person under s. 608.303
1057 must be signed by that person;

1058 (e) A record changing the registered agent must also
1059 include or be accompanied by a statement signed by the successor
1060 registered agent in the form described in s. 608.113(2); and

1061 (f) Any other record delivered on behalf of a person to
1062 the Department of State must be signed by that person.

1063 (2) A record may also be signed by an agent, legal
1064 representative, or an attorney-in-fact, as applicable, if such
1065 a person has been duly appointed and is authorized to sign the
1066 record, and the record recites that such person has that
1067 authority.

1068 (3) A person that signs a record as an agent, legal
1069 representative or attorney-in-fact thereby affirms as a fact
1070 that the person is authorized to sign the record.

1071 608.204 Signing and filing pursuant to judicial order.-

1072 (1) If a person required by this chapter to sign a record
1073 or deliver a record to the Department of State for filing under

1074 this chapter does not do so, any other person that is aggrieved
1075 may petition the circuit court to order:

1076 (a) The person to sign the record;

1077 (b) The person to deliver the record to the Department of
1078 State for filing; or

1079 (c) The Department of State to file the record unsigned.

1080 (2) If a petitioner under subsection (1) is not the
1081 limited liability company or foreign limited liability company
1082 to which the record pertains, the petitioner shall make the
1083 company a party to the action. The petitioner may seek the
1084 remedies provided in subsection (1) in the same action in
1085 combination or in the alternative.

1086 (3) A record filed under subsection (1)(c) is effective
1087 without being signed.

1088 608.205 Liability for inaccurate information in filed
1089 record.—

1090 (1) If a record delivered to the Department of State for
1091 filings under this chapter and filed by the Department of State
1092 contains inaccurate information, a person that suffers a loss by
1093 reliance on the information may recover damages for the loss
1094 from:

1095 (a) A person that signed the record, or caused another to
1096 sign it on the person's behalf, and knew the information to be
1097 inaccurate at the time the record was signed; and

1098 (b) Subject to subsection (2), a member of a member-
1099 managed limited liability company or the manager of a manager-
1100 managed limited liability company, if:

1101 1. The record was delivered for filing on behalf of the
1102 company; and

1103 2. The member or manager had notice of the inaccuracy for
1104 a reasonably sufficient time before the information was relied
1105 upon so that, before the reliance, the member or manager
1106 reasonably could have:

- 1107 a. Effected an amendment under s. 608.202;
1108 b. Filed a petition under s. 608.204; or
1109 c. Delivered to the Department of State for filing a
1110 statement of change under s. 608.114 or a statement of
1111 correction under s. 608.209.

1112 (2) To the extent that the operating agreement of a
1113 member-managed limited liability company expressly relieves a
1114 member of responsibility for maintaining the accuracy of
1115 information contained in records delivered on behalf of the
1116 company to the Department of State for filing under this chapter
1117 and imposes that responsibility on one or more other members,
1118 the liability stated in subsection (1)(b) applies to those other
1119 members and not to the member that the operating agreement
1120 relieves of the responsibility.

1121 (3) An individual who signs a record authorized or
1122 required to be filed under this chapter affirms under penalty of
1123 perjury that the information stated in the record is accurate.

1124 608.206 Filing requirements.-

1125 (1) A record authorized or required to be delivered to the
1126 Department of State for filing under this chapter must be
1127 captioned to describe the record's purpose, be in a medium
1128 permitted by the Department of State, and be delivered to the
1129 Department of State. Unless the Department of State determines
1130 that a record does not comply with the filing requirements of
1131 this chapter, and if all filing fees have been paid, the

1132 Department of State shall file the record.

1133 (2) Upon request and payment of the applicable fee, the
1134 Department of State shall send to the requester a certified copy
1135 of the requested record.

1136 (3) If the Department of State has prescribed a mandatory
1137 medium or form for the record being filed, the record must be in
1138 the prescribed medium or on the prescribed form.

1139 (4) Except as otherwise provided by the Department of
1140 State, to be filed by the Department of State, a document must
1141 be typewritten or printed, legible and in the English language.
1142 A limited liability company name need not be in English if
1143 written in English letters or Arabic or Roman numerals, and the
1144 certificate of existence required of a foreign limited liability
1145 company, need not be in English if accompanied by a reasonably
1146 authenticated English translation. If the Department of State
1147 has prescribed a mandatory form for the document to be filed,
1148 the document must be in or on the prescribed form. The
1149 Department of State may prescribe forms in electronic format on
1150 which to comply with the provisions of this chapter. The
1151 Department of State may also use electronic transmissions for
1152 the purposes of notice and communication in the performance of
1153 its duties and may require filers and registrants to furnish e-
1154 mail addresses when presenting a document for filing.

1155 608.207 Effective date and time.—Except as otherwise
1156 provided in s. 608.208, and subject to s. 608.209(3), any
1157 document delivered to the Department of State for filing under
1158 this chapter may specify an effective time and a delayed
1159 effective date. In the case of initial articles of organization,
1160 a prior effective date may be specified in the articles of

1161 organization, provided such date is within 5 business days prior
1162 to the date of filing. Subject to ss. 608.114, 608.115 and
1163 608.208, and subject to s. 608.209(3), a record filed by the
1164 Department of State is effective:

1165 (1) If the record does not specify an effective time and
1166 does not specify a prior or a delayed effective date, on the
1167 date and at the time the record is filed as evidenced by the
1168 Department of State's endorsement of the date and time on the
1169 record;

1170 (2) If the record specifies an effective time but not a
1171 prior or delayed effective date, on the date the record is filed
1172 at the time specified in the record;

1173 (3) If the record specifies a delayed effective date but
1174 not an effective time, at 12:01 a.m. on the earlier of:

1175 (a) The specified date;

1176 (b) The 90th day after the record is filed; or

1177 (4) If the record specifies a date prior to the effective
1178 date but no effective time, at 12:01 a.m. on the later of:

1179 (a) The specified date; or

1180 (b) The 5th business day before the record is filed;

1181 (5) If the record specifies an effective time and a
1182 delayed effective date, at the specified time on the earlier of:

1183 (a) The specified date; or

1184 (b) The 90th day after the record is filed.

1185 (6) If the record specifies an effective time and a prior
1186 effective date, at the specified time on the later of:

1187 (a) The specified date; or

1188 (b) The 5th business day before the record is filed.

1189 608.208 Withdrawal of filed record before effectiveness.—

1190 (1) Except as otherwise provided in ss. 608.1001-608.1072,
1191 a record delivered to the Department of State for filing may be
1192 withdrawn before it takes effect by delivering to the Department
1193 of State for filing a withdrawal statement.

1194 (2) A withdrawal statement must:

1195 (a) Be signed by each person that signed the record being
1196 withdrawn, except as otherwise agreed by those persons;

1197 (b) Identify the record to be withdrawn; and

1198 (c) If signed by fewer than all the persons that signed
1199 the record being withdrawn, state that the record is withdrawn
1200 in accordance with the agreement of all the persons that signed
1201 the record.

1202 (3) On filing by the Department of State of a withdrawal
1203 statement, the action or transaction evidenced by the original
1204 record does not take effect.

1205 608.209 Correcting filed record.-

1206 (1) A person on whose behalf a filed record was delivered
1207 to the Department of State for filing may correct the record if:
1208 (a) The record at the time of filing was inaccurate;
1209 (b) The record was defectively signed; or
1210 (c) The electronic transmission of the record to the
1211 Department of State was defective.

1212 (2) To correct a filed record, a person on whose behalf
1213 the record was delivered to the Department of State must deliver
1214 to the Department of State for filing a statement of correction.

1215 (3) A statement of correction:

1216 (a) May not state a delayed effective date;

1217 (b) Must be signed by the person correcting the filed
1218 record;

1219 (c) Must identify the filed record to be corrected;
1220 (d) Must specify the inaccuracy or defect to be corrected;

1221 and

1222 (e) Must correct the inaccuracy or defect.

1223 (4) A statement of correction is effective as of the
1224 effective date of the filed record that it corrects except for
1225 purposes of s. 608.103(4) and as to persons relying on the
1226 uncorrected filed record and adversely affected by the
1227 correction. For those purposes and as to those persons, the
1228 statement of correction is effective when filed.

1229 608.210 Duty of Department of State to file; review of
1230 refusal to file; transmission of information by Department of
1231 State.-

1232 (1) The Department of State files a document by stamping
1233 or otherwise endorsing the document as "filed," together with
1234 the Department of State's official title and the date and time
1235 of receipt.

1236 (2) After filing a record, the Department of State shall
1237 deliver an acknowledgment of the filing or certified copy of the
1238 document to the company or foreign limited liability company or
1239 its authorized representative.

1240 (3) If the Department of State refuses to file a record,
1241 the Department of State shall, not later than 15 days after the
1242 record is delivered:

1243 (a) Return the record or notify the person that submitted
1244 the record of the refusal; and

1245 (b) Provide a brief explanation in a record of the reason
1246 for the refusal.

1247 (4) If the applicant returns the document with corrections

1248 in accordance with the rules of the Department of State within
1249 60 days after it was mailed to the applicant by the Department
1250 of State and if at the time of return the applicant so requests
1251 in writing, the filing date of the document shall be the filing
1252 date that would have been applied had the original document not
1253 been deficient, except as to persons who relied on the record
1254 before correction and were adversely affected thereby.

1255 (5) The Department of State's duty to file documents under
1256 this section is ministerial. Filing or refusing to file a
1257 document does not:

1258 (a) Affect the validity or invalidity of the document in
1259 whole or part;

1260 (b) Relate to the correctness or incorrectness of
1261 information contained in the document; or

1262 (c) Create a presumption that the document is valid or
1263 invalid or that information contained in the document is correct
1264 or incorrect.

1265 (6) If not otherwise provided by law and the provisions of
1266 this chapter, the Department of State shall determine, by rule,
1267 the appropriate format for, number of copies of, manner of
1268 execution of, method of electronic transmission of, and amount
1269 of and method of payment of fees for, any document placed under
1270 its jurisdiction.

1271 (7) If the Department of State refuses to file a record,
1272 the person that submitted the record may petition the circuit
1273 court to compel filing of the record. The record and the
1274 explanation of the Department of State of the refusal to file
1275 must be attached to the petition. The court may decide the
1276 matter in a summary proceeding.

1277 (8) Except as otherwise provided by s. 608.117 or by law
1278 other than this chapter, the Department of State may deliver any
1279 record to a person by delivering it:

- 1280 (a) In person to the person that submitted it;
1281 (b) To the address of the person's registered agent;
1282 (c) To the principal office of the person; or
1283 (d) To another address the person provides to the
1284 Department of State for delivery.

1285 608.211 Certificate of status.—

1286 (1) On request of any person, the Department of State
1287 shall issue a certificate of status for a limited liability
1288 company if the records filed in the Department of State show
1289 that the Department of State has accepted and filed its articles
1290 of organization. A certificate of status must state:

- 1291 (a) The company's name;
1292 (b) That the company was duly formed under the laws of
1293 this state and the date of formation;
1294 (c) Whether all fees and penalties due to the Department
1295 of State under this chapter have been paid;
1296 (d) Whether the company's most recent annual report
1297 required by s. 608.212 has been filed by the Department of
1298 State;
1299 (e) Whether the Department of State has administratively
1300 dissolved the company or received a record notifying the
1301 Department of State that the company has been dissolved by
1302 judicial action pursuant to s. 608.7051;
1303 (f) Whether the Department of State has filed articles of
1304 dissolution for the company; and
1305 (g) Whether the Department of State has accepted and filed

1306 a statement of termination.

1307 (2) The Department of State, upon request and payment of
1308 the requisite fee, shall furnish a certificate of status for a
1309 foreign limited liability company if the records filed in the
1310 Department of State show that the Department of State has filed
1311 a certificate of authority. A certificate of status for a
1312 foreign limited liability company must state:

1313 (a) The company's name and any current alternate name
1314 adopted under s. 608.905(1) for use in this state;

1315 (b) That the company is authorized to transact business in
1316 this state;

1317 (c) Whether all fees and penalties due to the Department
1318 of State under this chapter or other law have been paid;

1319 (d) Whether the company's most recent annual report
1320 required by s. 608.212 has been filed by the Department of
1321 State; and

1322 (e) Whether the Department of State has:
1323 1. Revoked the company's certificate of authority; or
1324 2. Filed a notice of withdrawal of certificate of
1325 authority.

1326 (3) Subject to any qualification stated in the articles of
1327 organization, a certificate of status issued by the Department
1328 of State is conclusive evidence that the limited liability
1329 company is in existence or the foreign limited liability company
1330 is authorized to transact business in this state.

1331 608.212 Annual report for Department of State.—
1332 (1) A limited liability company or a registered foreign
1333 limited liability company shall deliver to the Department of
1334 State for filing an annual report that states:

1335 (a) The name of the limited liability company or, if a
1336 foreign limited liability company, the name under which the
1337 foreign limited liability company is registered to transact
1338 business in this state;

1339 (b) The street address of its principal office and its
1340 mailing address;

1341 (c) The date of its organization, or if a foreign limited
1342 liability company, the jurisdiction of its formation and the
1343 date on which it became qualified to transact business in this
1344 state;

1345 (d) The company's federal employer identification number
1346 or, if none, whether one has been applied for;

1347 (e) The name, title or capacity, and address of at least
1348 one person who has the authority to manage the company; and

1349 (f) Any additional information that is necessary or
1350 appropriate to enable the Department of State to carry out the
1351 provisions of this chapter.

1352 (2) Information in the annual report must be current as of
1353 the date the report is delivered to the Department of State for
1354 filing.

1355 (3) The first annual report must be delivered to the
1356 Department of State between January 1 and May 1 of the year
1357 following the calendar year in which the limited liability
1358 company's articles of organization became effective or the
1359 foreign limited liability company registered to transact
1360 business in this state. Subsequent annual reports must be
1361 delivered to the Department of State between January 1 and May 1
1362 of each calendar year thereafter. If one or more forms of annual
1363 report are submitted for a calendar year, the Department of

1364 State shall file each of them and make the information contained
1365 in them part of the official record. The first form of annual
1366 report filed in a calendar year will be considered the annual
1367 report for that calendar year, and each report filed after that
1368 one in the same calendar year will be treated as an amended
1369 report for that calendar year.

1370 (4) If an annual report does not contain the information
1371 required in this section, the Department of State promptly shall
1372 notify the reporting limited liability company or registered
1373 foreign limited liability company. If the report is corrected to
1374 contain the information required in subsection (1) and delivered
1375 to the Department of State within 30 days after the effective
1376 date of the notice, it is timely delivered.

1377 (5) If an annual report contains the name or address of a
1378 registered agent which differs from the information shown in the
1379 records of the Department of State immediately before the annual
1380 report becomes effective, the differing information in the
1381 annual report is considered a statement of change under s.
1382 608.114.

1383 (6) Any limited liability company or foreign limited
1384 liability company failing to file an annual report which
1385 complies with the requirements of this section shall not be
1386 permitted to maintain or defend any action in any court of this
1387 state until such report is filed and all fees due under this
1388 chapter are paid and shall be subject to dissolution or
1389 cancellation of its certificate of authority to transact
1390 business as provided in this chapter.

1391 (7) The Department of State shall prescribe the forms,
1392 which may be in an electronic format, on which to make the

1393 annual report called for in this section and may substitute the
1394 uniform business report, pursuant to s. 606.06, as a means of
1395 satisfying the requirement of this part.

1396 (8) As a condition of a merger under s. 608.1021, each
1397 party to a merger that exists under the laws of this state, and
1398 each party to the merger that exists under the laws of another
1399 jurisdiction and is authorized to transact business or conduct
1400 its affairs in this state, must be active and current in filing
1401 its annual reports on the records of the Department of State
1402 through December 31st of the calendar year in which the articles
1403 of merger are submitted to the Department of State for filing.

1404 (9) As a condition of a conversion of an entity into a
1405 limited liability company under s. 608.1041, the entity, if it
1406 exists under the laws of this state, or if it exists under the
1407 laws of another jurisdiction and is authorized to transact
1408 business or conduct its affairs in this state, must be active
1409 and current in filing its annual reports on the records of the
1410 Department of State through December 31st of the calendar year
1411 in which the articles of conversion are submitted to the
1412 Department of State for filing.

1413 (10) As a condition of a conversion of a limited liability
1414 company into any other entity under s. 608.1041, the limited
1415 liability company converting to the other type of entity must be
1416 active and current in filing its annual reports on the records
1417 of the Department of State through December 31st of the calendar
1418 year in which the articles of conversion are submitted to the
1419 Department of State for filing.

1420 608.213 Fees of the Department of State.—The fees of the
1421 Department of State under this chapter are as follows:

1422 (1) For furnishing a certified copy, \$30.

1423 (2) For filing original articles of organization, \$100.

1424 (3) For filing articles of merger of limited liability
1425 companies or other business entities, \$25 per constituent party
1426 to the merger, unless a specific fee is required for a party
1427 under other applicable law.

1428 (4) For filing an annual report, \$50, plus the annual fee
1429 imposed pursuant to s. 607.193 in the amount of \$88.75.

1430 (5) For filing an application for reinstatement after an
1431 administrative or judicial dissolution or a revocation of
1432 authority to transact business, \$100.

1433 (6) For designating a registered agent or changing a
1434 registered agent or registered office address, \$25.

1435 (7) For filing a registered agent's statement of
1436 resignation from an active limited liability company, \$85.

1437 (8) For filing a registered agent's statement of
1438 resignation from a dissolved or revoked limited liability
1439 company, \$25.

1440 (9) For filing a statement of change of name of registered
1441 agent or change of registered office address, \$25.

1442 (10) For filing articles of conversion of a limited
1443 liability company, \$25.

1444 (11) For filing articles of domestication, \$25.

1445 (12) For furnishing a certificate of status, \$5.

1446 (13) For filing restated articles of organization, amended
1447 and restated articles of organization, or an amendment to the
1448 articles of organization (or an amendment to a restated or an
1449 amended and restated articles of organization), \$25.

1450 (14) For filing an amendment to certificate of authority,

1451 \$25.

1452 (15) For filing a notice of withdrawal of certificate of
1453 authority, \$25.

1454 (16) For filing a statement of dissociation, \$25.

1455 (17) For filing a manager's statement of resignation, \$25.

1456 (18) For filing articles of dissolution, \$25.

1457 (19) For filing a certificate of revocation of
1458 dissolution, \$100.

1459 (20) For filing a statement of termination, \$25.

1460 (21) For filing a withdrawal statement, \$25.

1461 (22) For filing a statement of authority, \$25.

1462 (23) For filing an amendment to a statement of authority,
1463 \$25.

1464 (24) For filing a statement of denial, \$25.

1465 (25) For filing a cancellation of a statement of
1466 authority, \$25.

1467 (26) For filing a statement of correction, \$25.

1468 (27) For filing a foreign limited liability company's
1469 application for a certificate of authority to transact business,
1470 \$35.

1471 (28) For filing an amended annual report, \$50.

1472 (29) For filing a withdrawal statement of delivered
1473 record before effectiveness, \$25.

1474 (30) For filing a notice of withdrawal of certificate of
1475 authority, \$25.

1476 (31) For filing any other limited liability company or
1477 foreign limited liability company document, \$25.

1478 608.214 Powers of Department of State.—The Department of
1479 State shall have the power and authority reasonably necessary to

1480 enable it to administer this chapter efficiently, to perform the
1481 duties herein imposed upon it, and to promulgate reasonable
1482 rules necessary to carry out its duties and functions under
1483 this chapter.

1484 608.215 Certificates to be received in evidence and
1485 evidentiary effect of copy of filed document.-All certificates
1486 issued by the Department of State in accordance with this
1487 chapter shall be taken and received in all courts, public
1488 offices, and official bodies as prima facie evidence of the
1489 facts therein stated. A certificate from the Department of State
1490 delivered with a copy of a document filed by the Department of
1491 State is conclusive evidence that the original document is on
1492 file with the Department of State.

1493 608.216 Statement of dissociation or resignation.-

1494 (1) A member of a limited liability company may file a
1495 statement of dissociation with the Department of State
1496 containing:

1497 (a) The name of the limited liability company;
1498 (b) The name and signature of the dissociating member;
1499 (c) The date the member withdrew or will withdraw; and
1500 (d) A statement that the company has been notified of
1501 the dissociation in writing.

1502 (2) A manager in a manager-managed limited liability
1503 company may file a statement of resignation with the Department
1504 of State containing:

1505 (a) The name of the limited liability company;
1506 (b) The name and signature of the resigning manager;
1507 (c) The date the resigning manager resigned or will resign;
1508 and

1509 (d) A statement that the limited liability company has been
1510 notified of the resignation in writing.

1511 608.301 Power to bind limited liability company.—No person
1512 shall have the power to bind a limited liability company, except
1513 to the extent the person:

1514 (1) Is an agent of the company by virtue of s. 608.4074.

1515 (2) Has the authority to do so under the articles of
1516 organization or operating agreement of the company;

1517 (3) Has the authority to do so by a statement of authority
1518 filed under s. 608.302; or

1519 (4) Has the status of an agent of the company, or the
1520 authority or power to bind the company, under any law other than
1521 this chapter.

1522 608.302 Statement of authority.—

1523 (1) A limited liability company may file a statement of
1524 authority. The statement:

1525 (a) Must include the name of the company, as identified in
1526 the records of the Department of State, and the street and
1527 mailing addresses of its principal office;

1528 (b) With respect to any specified status or position in a
1529 company (whether as a member, transferee, manager, officer or
1530 otherwise), may state the authority, or limitations on the
1531 authority, of all persons having such status or holding such
1532 position to:

1533 1. Execute an instrument transferring real property held
1534 in the name of the company; or

1535 2. Enter into other transactions on behalf of, or
1536 otherwise act for or bind, the company; and

1537 (c) May state the authority, or limitations on the

1538 authority, of a specific person to:

1539 1. Execute an instrument transferring real property held
1540 in the name of the company; or

1541 2. Enter into other transactions on behalf of, or
1542 otherwise act for or bind, the company.

1543 (2) To amend or cancel a statement of authority filed by
1544 the Department of State, a limited liability company must
1545 deliver to the Department of State for filing an amendment or
1546 cancellation stating:

1547 (a) The name of the company, as identified in the records
1548 of the Department of State;

1549 (b) The street and mailing addresses of the limited
1550 liability company's principal office;

1551 (c) The date the statement being affected became
1552 effective; and

1553 (d) The contents of the amendment or a declaration that
1554 the statement being affected is canceled.

1555 (3) A statement of authority affects only the power of a
1556 person to bind a limited liability company to persons that are
1557 not members.

1558 (4) Subject to subsection (3) and s. 608.103(4) and except
1559 as otherwise provided in subsections (6), (7), and (8), a
1560 limitation on the authority of a person or a position contained
1561 in an effective statement of authority is not by itself evidence
1562 of knowledge or notice of the limitation by any person.

1563 (5) Subject to subsection (3), a grant of authority not
1564 pertaining to transfers of real property and contained in an
1565 effective statement of authority is conclusive in favor of a
1566 person that gives value in reliance on the grant, except to the

1567 extent that when the person gives value:

1568 (a) The person has knowledge to the contrary;

1569 (b) The statement has been canceled or restrictively

1570 amended under subsection (2); or

1571 (c) A limitation on the grant is contained in another
1572 statement of authority that became effective after the statement
1573 containing the grant became effective.

1574 (6) Subject to subsection (3), an effective statement of
1575 authority that grants authority to transfer real property held
1576 in the name of the limited liability company, a certified copy
1577 of which statement is recorded in the office for recording
1578 transfers of the real property, is conclusive in favor of a
1579 person that gives value in reliance on the grant without
1580 knowledge to the contrary, except to the extent that when the
1581 person gives value:

1582 (a) The statement has been canceled or restrictively
1583 amended under subsection (2), and a certified copy of the
1584 cancellation or restrictive amendment has been recorded in the
1585 office for recording transfers of the real property; or

1586 (b) A limitation on the grant is contained in another
1587 statement of authority that became effective after the statement
1588 containing the grant became effective, and a certified copy of
1589 the later-effective statement is recorded in the office for
1590 recording transfers of the real property.

1591 (7) Subject to subsection (3), if a certified copy of an
1592 effective statement containing a limitation on the authority to
1593 transfer real property held in the name of a limited liability
1594 company is recorded in the office for recording transfers of
1595 that real property, all persons are deemed to know of the

1596 limitation.

1597 (8) Subject to subsection (9), effective articles of
1598 dissolution or termination are a cancellation of any filed
1599 statement of authority for the purposes of subsection (6) and is
1600 a limitation on authority for the purposes of subsection (7).

1601 (9) After its articles of dissolution becomes effective,
1602 a limited liability company may deliver to the Department of
1603 State for filing and, if appropriate, may record a statement of
1604 authority in accordance with subsection (1) that is designated
1605 as a post-dissolution statement of authority. The statement
1606 operates as provided in subsections (6) and (7).

1607 (10) Unless earlier canceled, an effective statement of
1608 authority is canceled by operation of law five years after the
1609 date on which the statement, or its most recent amendment,
1610 becomes effective. This cancellation operates without need for
1611 any recording under subsection (6) or (7). An effective
1612 statement of denial operates as a restrictive amendment under
1613 this section and may be recorded by certified copy for the
1614 purposes of subsection (6)(a).

1615 (11) A statement of dissociation or a statement of
1616 resignation filed under s. 608.216 terminates the authority of
1617 the person who filed the statement.

1618 608.303 Statement of denial.—A person named in a filed
1619 statement of authority granting that person authority may
1620 deliver to the Department of State for filing a statement of
1621 denial signed by that person that:

1622 (1) Provides the name of the limited liability company and
1623 the caption of the statement of authority to which the statement
1624 of denial pertains; and

1625 (2) Denies the grant of authority.

1626 608.304 Liability of members and managers.-

1627 (1) A debt, obligation, or other liability of a limited
1628 liability company is solely the debt, obligation, or other
1629 liability of the company. A member or manager is not personally
1630 liable, directly or indirectly, by way of contribution or
1631 otherwise, for a debt, obligation, or other liability of the
1632 company solely by reason of being or acting as a member or
1633 manager. This subsection applies regardless of the dissolution
1634 of the company.

1635 (2) The failure of a limited liability company to observe
1636 formalities relating to the exercise of its powers or management
1637 of its activities and affairs is not a ground for imposing
1638 liability on a member or manager of the company for a debt,
1639 obligation, or other liability of the company.

1640 608.4011 Becoming a member.-

1641 (1) If a limited liability company is to have only one
1642 member upon formation, the person becomes a member as agreed by
1643 that person and the authorized representative of the company.
1644 That person and the authorized representative may be, but need
1645 not be, different persons. If different, the authorized
1646 representative acts on behalf of the initial member.

1647 (2) If a limited liability company is to have more than
1648 one member upon formation, those persons become members as
1649 agreed by the persons before the formation of the company. The
1650 authorized representative acts on behalf of the persons in
1651 forming the company and may be, but need not be, one of the
1652 persons.

1653 (3) After formation of a limited liability company, a

1654 person becomes a member:

1655 (a) As provided in the operating agreement;

1656 (b) As the result of a merger, interest exchange

1657 conversion or domestication under ss. 608.1001-608.1072, as

1658 applicable;

1659 (c) With the consent of all the members; or

1660 (d) As provided in s. 608.7011(3).

1661 (4) A person may become a member without acquiring a

1662 transferable interest and without making or being obligated to

1663 make a contribution to the limited liability company.

1664 608.4021 Form of contribution.—A contribution may consist

1665 of tangible or intangible property or other benefit to a limited

1666 liability company, including money, services performed,

1667 promissory notes, other agreements to contribute money or

1668 property, and contracts for services to be performed.

1669 608.4031 Liability for contributions.—

1670 (1) A promise by a member to contribute to the limited

1671 liability company is not enforceable unless it is set out in a

1672 writing signed by the member.

1673 (2) A person's obligation to make a contribution to a

1674 limited liability company is not excused by the person's death,

1675 disability, or other inability to perform personally.

1676 (3) If a person does not fulfill an obligation to make a

1677 contribution other than money, the person is obligated at the

1678 option of the limited liability company to contribute money

1679 equal to the value of the part of the contribution which has not

1680 been made. The foregoing option shall be in addition to, and not

1681 in lieu of, any other rights, including the right to specific

1682 performance, that the limited liability company may have against

1683 such member under the articles of organization or operating
1684 agreement, or applicable law.

1685 (4) The obligation of a person to make a contribution may
1686 be compromised only by consent of all members. A creditor of a
1687 limited liability company which extends credit or otherwise acts
1688 in reliance on an obligation enforceable under subsection (1)
1689 without notice of a compromise may enforce the obligation.

1690 (5) An operating agreement may provide that the limited
1691 liability company interest of any member who fails to make any
1692 contribution that the member is obligated to make shall be
1693 subject to specified penalties for, or specified consequences
1694 of, such failure. Such penalty or consequence may take the form
1695 of reducing or eliminating the defaulting member's proportionate
1696 interest in a limited liability company, subordinating the
1697 member's limited liability company interest to that of
1698 nondefaulting members, a forced sale of that limited liability
1699 company interest, forfeiture of the defaulting member's limited
1700 liability company interest, the lending by other members of the
1701 amount necessary to meet the defaulting member's commitment, a
1702 fixing of the value of the defaulting member's limited liability
1703 company interest by appraisal or by formula and redemption or
1704 sale of the limited liability company interest at such value, or
1705 other penalty or consequence.

1706 608.4041 Sharing of distributions before dissolution and
1707 profits and losses.—

1708 (1) Any distributions made by a limited liability company
1709 before its dissolution and winding up shall be shared by the
1710 members and persons dissociated as members on the basis of the
1711 agreed value, as stated in the company's records, of the

1712 contributions made by each of them to the extent they have been
1713 received by the company, except to the extent necessary to
1714 comply with a transfer effective under s. 608.5021 or charging
1715 order in effect under s. 608.5031.

1716 (2) A person has a right to a distribution before the
1717 dissolution and winding up of a limited liability company only
1718 if the company decides to make an interim distribution. A
1719 person's dissociation does not entitle the person to a
1720 distribution.

1721 (3) A person does not have a right to demand or receive a
1722 distribution from a limited liability company in any form other
1723 than money. Except as otherwise provided in s. 608.711(4), a
1724 limited liability company may distribute an asset in kind only
1725 if each part of the asset is fungible with each other part and
1726 each person receives a percentage of the asset equal in value to
1727 the person's share of distributions.

1728 (4) If a member or transferee becomes entitled to receive
1729 a distribution, the member or transferee has the status of, and
1730 is entitled to all remedies available to, a creditor of the
1731 limited liability company with respect to the distribution.

1732 (5) Profits and losses of a limited liability company
1733 shall be allocated among the members and persons dissociated as
1734 members on the basis of the agreed value, as stated in the
1735 company's records, of the contributions made by each of them to
1736 the extent they have been received by the company.

1737 608.4051 Limitations on distributions.—

1738 (1) A limited liability company may not make a
1739 distribution, including a distribution under s. 608.711, if
1740 after the distribution:

1741 (a) The company would not be able to pay its debts as they
1742 become due in the ordinary course of the company's activities
1743 and affairs; or

1744 (b) The company's total assets would be less than the sum
1745 of its total liabilities, plus the amount that would be needed
1746 if the company were to be dissolved and wound up at the time of
1747 the distribution, to satisfy the preferential rights upon
1748 dissolution and winding up of members and transferees whose
1749 preferential rights are superior to those of persons receiving
1750 the distribution.

1751 (2) A limited liability company may base a determination
1752 that a distribution is not prohibited under subsection (1) on:

1753 (a) Financial statements prepared on the basis of
1754 accounting practices and principles that are reasonable under
1755 the circumstances; or

1756 (b) A fair valuation or other method that is reasonable
1757 under the circumstances.

1758 (3) Except as otherwise provided in subsection (5), the
1759 effect of a distribution under subsection (1) is measured:

1760 (a) In the case of a distribution by purchase, redemption,
1761 or other acquisition of a transferable interest in the company,
1762 as of the earlier of:

1763 1. The date money or other property is transferred or the
1764 debt is incurred by the company; and

1765 2. The date the person entitled to distribution ceases to
1766 own the interest or right being acquired by the company in
1767 return for the distribution;

1768 (b) In the case of any other distribution of indebtedness,
1769 as of the date the indebtedness is distributed; and

1770 (c) In all other cases, as of the date:

1771 1. The distribution is authorized, if the payment occurs
1772 not later than 120 days after that date; or
1773 2. The payment is made, if the payment occurs more than
1774 120 days after the distribution is authorized.

1775 (4) A limited liability company's indebtedness to a member
1776 or transferee incurred by reason of a distribution made in
1777 accordance with this section is at parity with the company's
1778 indebtedness to its general, unsecured creditors, except to the
1779 extent subordinated by agreement.

1780 (5) A limited liability company's indebtedness, including
1781 indebtedness issued as a distribution, is not a liability for
1782 purposes of subsection (1) if the terms of the indebtedness
1783 provide that payment of principal and interest is made only if
1784 and to the extent that a distribution could then be made under
1785 this section. If the indebtedness is issued as a distribution,
1786 and by its terms provides that the payments of principal and
1787 interest are made only to the extent a distribution could be
1788 made under this section, then each payment of principal or
1789 interest of that indebtedness is treated as a distribution, the
1790 effect of which is measured on the date the payment is actually
1791 made.

1792 (6) In measuring the effect of a distribution under
1793 Section 608.711, the liabilities of a dissolved limited
1794 liability company do not include any claim that has been
1795 disposed of under ss. 608.711-608.713.

1796 608.4062 Liability for improper distributions.-

1797 (1) Except as otherwise provided in subsection (2), if a
1798 member of a member-managed limited liability company or manager

1799 of a manager-managed limited liability company consents to a
1800 distribution made in violation of s. 608.4051 and in consenting
1801 to the distribution fails to comply with s. 608.4091, the member
1802 or manager is personally liable to the company for the amount of
1803 the distribution which exceeds the amount that could have been
1804 distributed without the violation of s. 608.4051. A member of a
1805 member-managed limited liability company or manager of a
1806 manager-managed limited liability company may base a
1807 determination that a distribution is not prohibited under s.
1808 608.4051 on financial statements prepared on the basis of
1809 accounting practices and principles that are reasonable under
1810 the circumstances or on a fair valuation or other method that is
1811 reasonable under the circumstances.

1812 (2) To the extent the operating agreement of a member-
1813 managed limited liability company expressly relieves a member of
1814 the authority and responsibility to consent to distributions and
1815 imposes that authority and responsibility on one or more other
1816 members, the liability stated in subsection (1) applies to the
1817 other members and not the member that the operating agreement
1818 relieves of authority and responsibility.

1819 (3) A person that receives a distribution knowing that the
1820 distribution violated s. 608.4051 is personally liable to the
1821 limited liability company but only to the extent that the
1822 distribution received by the person exceeded the amount that
1823 could have been properly paid under s. 608.405.

1824 (4) A person against which an action is commenced because
1825 that person is or may be liable under subsection (1) may:
1826 (a) Implead any other person that is or may be liable
1827 under subsection (1) and seek to enforce a right of contribution

1828 from the person; and

1829 (b) Implead any person that received a distribution in
1830 violation of subsection (3) and seek to enforce a right of
1831 contribution from any impleaded person in the amount the person
1832 received in violation of subsection (3).

1833 (5) An action under this section is barred unless
1834 commenced not later than two years after the distribution.

1835 608.4071 Management of limited liability company.—

1836 (1) A limited liability company is a member-managed
1837 limited liability company unless the operating agreement or
1838 articles of organization:

1839 (a) Expressly provides that:

1840 1. The company is or will be "manager-managed";
1841 2. The company is or will be "managed by managers"; or
1842 3. Management of the company is or will be "vested in

1843 managers"; or

1844 (b) Includes words of similar import, except that, unless
1845 the context in which the expression is used otherwise requires,
1846 the expression "managing member" or "managing members" shall
1847 not, in and of itself, constitute words of similar import for
1848 this purpose.

1849 (2) In a member-managed limited liability company, the
1850 management and conduct of the company are vested in the members,
1851 except as expressly provided in this chapter.

1852 (3) In a manager-managed limited liability company, any
1853 matter relating to the activities and affairs of the company is
1854 decided exclusively by the manager, or if there is more than one
1855 manager, by the managers, except as expressly provided in this
1856 chapter.

1857 (4) A member is not entitled to remuneration for services
1858 performed for a member-managed limited liability company, except
1859 for reasonable compensation for services rendered in winding up
1860 the activities and affairs of the company, in the absence of any
1861 agreement to the contrary.

1862 (5) A limited liability company shall reimburse a member
1863 for an advance to the company beyond the amount of capital the
1864 member agreed to contribute.

1865 (6) The dissolution of a limited liability company does
1866 not affect the applicability of ss. 608.4071-608.4074. However,
1867 a person that wrongfully causes dissolution of the company loses
1868 the right to participate in management as a member and a
1869 manager.

1870 608.4072 Selection and terms of managers in a manager-
1871 managed limited liability company.-In a manager-managed limited
1872 liability company, the following rules apply:

1873 (1) A manager may be chosen at any time by the consent of
1874 the member or members holding more than 50 percent of the then
1875 current percentage or other interest in the profits of the
1876 limited liability company owned by all of its members.

1877 (2) A person need not be a member to be a manager.

1878 (3) A person chosen as a manager shall continue as a
1879 manager until a successor has been chosen, unless the manager at
1880 an earlier time resigns, is removed, or dies, or, in the case of
1881 a manager that is not an individual, terminates.

1882 (4) A manager may be removed at any time by the consent of
1883 the member or members holding more than 50 percent of the then
1884 current percentage or other interest in the profits of the
1885 limited liability company owned by all of its members, without

1886 notice or cause.

1887 (5) The dissociation of a member that is also a manager
1888 removes the person as a manager.

1889 (6) If a person that is both a manager and a member ceases
1890 to be a manager, that cessation does not by itself dissociate
1891 the person as a member.

1892 (7) A person's ceasing to be a manager does not discharge
1893 any debt, obligation, or other liability to the limited
1894 liability company or members which the person incurred while a
1895 manager.

1896 608.4073 Voting rights of members and managers.—

1897 (1) In a member-managed limited liability company, the
1898 following rules apply:

1899 (a) Each member has the right to vote with respect to the
1900 management and conduct of the company's activities and affairs.

1901 (b) Each member's vote is proportionate to that member's
1902 then current percentage or other interest in the profits of the
1903 limited liability company owned by all members;

1904 (c) Except as otherwise provided in this chapter, the
1905 affirmative vote or consent of a majority-in-interest of the
1906 members is required to undertake any act, whether within or
1907 outside the ordinary course of the company's activities and
1908 affairs, including a transaction under ss. 608.1001-608.1072;
1909 and

1910 (d) The operating agreement and articles of organization
1911 may be amended only with the affirmative vote or consent of all
1912 members.

1913 (2) In a manager-managed limited liability company, the
1914 following rules apply:

1915 (a) Each manager has equal rights in the management and
1916 conduct of the company's activities and affairs;

1917 (b) Except as expressly provided in this chapter, any
1918 matter relating to the activities and affairs of the company
1919 shall be decided by the manager, or, if there is more than one
1920 manager, by the affirmative vote or consent of a majority of the
1921 managers, or if the action is taken without a meeting, then by
1922 their unanimous consent in a record;

1923 (c) Each member's vote is proportionate to that member's
1924 then current percentage or other interest in the profits of the
1925 limited liability company owned by all members;

1926 (d) Except as otherwise provided in this chapter, the
1927 affirmative vote or consent of a majority-in-interest of the
1928 members is required to undertake any act outside the ordinary
1929 course of the company's activities and affairs, including a
1930 transaction under ss. 608.1001-608.1072; and

1931 (e) The operating agreement and articles of organization
1932 may be amended only with the affirmative vote or consent of all
1933 members.

1934 (3) If a member has transferred all or a portion of the
1935 member's transferable interest in the limited liability company
1936 to a person who is not admitted as a member and the transferring
1937 member has not been dissociated in accordance with s.
1938 608.602(4), the transferring member shall continue to be
1939 entitled to vote on any action reserved to the members, with the
1940 vote of the transferring member being proportionate to the then
1941 current percentage or other interest in the profits of the
1942 limited liability company owned by all members that the
1943 transferring member would have, had the transfer not occurred.

1944 (4) An action requiring the vote or consent of members
1945 under this chapter may be taken without a meeting, and a member
1946 may appoint a proxy or other agent to vote or consent for the
1947 member by signing an appointing record, personally or by the
1948 member's agent. On any action taken by less than all of the
1949 members without a meeting, notice of the action must be given to
1950 those members who did not consent in writing to the action or
1951 who were not entitled to vote on the action within 10 days after
1952 the action was taken.

1953 (5) An action requiring the vote or consent of managers
1954 under this chapter may be taken without a meeting, if the action
1955 is unanimously approved by them in a record, and a manager may
1956 appoint a proxy or other agent to vote or consent for the
1957 manager by signing an appointing record, personally or by the
1958 manager's agent.

1959 (6) Meetings of members and meetings of managers may be
1960 held by means of conference telephone or other communications
1961 equipment by means of which all persons participating in the
1962 meeting can hear each other, and participation in a meeting
1963 pursuant to this section shall constitute presence in person at
1964 the meeting.

1965 608.4074 Agency rights of members and managers.-

1966 (1) In a member-managed limited liability company, the
1967 following rules apply:

1968 (a) Except as provided in subsection (3), each member is
1969 an agent of the limited liability company for the purpose of its
1970 activities and affairs, and an act of a member, including the
1971 signing of any agreement or instrument of transfer in the name
1972 of the company, for apparently carrying on in the ordinary

1973 course the company's activities and affairs, or activities and
1974 affairs of the kind carried on by the company, binds the company
1975 unless the member had no authority to act for the company in the
1976 particular matter and the person with whom the member was
1977 dealing knew or had notice that the member lacked authority; and
1978 (b) An act of a member which is not for apparently
1979 carrying on in the ordinary course the limited liability
1980 company's activities and affairs, or activities and affairs of
1981 the kind carried on by the company, binds the company only if
1982 the act was authorized by appropriate vote of the members.

1983 (2) In a manager-managed limited liability company, the
1984 following rules apply:

1985 (a) A member is not an agent of the limited liability
1986 company for the purpose of its business solely by reason of
1987 being a member;

1988 (b) Except as provided in subsection (3), each manager is
1989 an agent of the limited liability company for the purpose of its
1990 business, and an act of a manager, including the signing of any
1991 agreement or instrument of transfer in the name of the company,
1992 for apparently carrying on in the ordinary course the company's
1993 business or business of the kind carried on by the company binds
1994 the company, unless the manager had no authority to act for the
1995 company in the particular matter and the person with whom the
1996 manager was dealing knew or had notice that the manager lacked
1997 authority; and

1998 (c) An act of a manager which is not apparently for
1999 carrying on in the ordinary course the limited liability
2000 company's business or business of the kind carried on by the
2001 company binds the company only if the act was authorized by

2002 appropriate vote of the members.

2003 (3) Unless a certified statement of authority recorded in
2004 the applicable real estate records limits the authority of a
2005 member, any member of a member-managed company or manager of a
2006 manager-managed company may sign and deliver any instrument
2007 transferring or affecting the limited liability company's
2008 interest in real property. The instrument is conclusive in favor
2009 of a person who gives value without knowledge of the lack of the
2010 authority of the person signing and delivering the instrument.

2011 608.4083 Reimbursement, indemnification, advancement and
2012 insurance.—

2013 (1) A limited liability company may reimburse a member of
2014 a member-managed company or the manager of a manager-managed
2015 company for any payment made by the member or manager in the
2016 course of the member's or manager's activities on behalf of the
2017 company, if the member or manager complied with ss. 608.4071-
2018 608.4075 and 608.4091 in making the payment.

2019 (2) A limited liability company may indemnify and hold
2020 harmless a person with respect to any claim or demand against
2021 the person and any debt, obligation, or other liability incurred
2022 by the person by reason of the person's former or present
2023 capacity as a member or manager, if the claim, demand, debt,
2024 obligation, or other liability does not arise from the person's
2025 breach of ss. 608.405, 608.4071-608.4075, or 608.4091.

2026 (3) In the ordinary course of its activities and affairs,
2027 a limited liability company may advance reasonable expenses,
2028 including attorney's fees and costs, incurred by a person in
2029 connection with a claim or demand against the person by reason
2030 of the person's former or present capacity as a member or

2031 manager, if the person promises to repay the company if the
2032 person ultimately is determined not to be entitled to be
2033 indemnified under subsection (2).

2034 (4) A limited liability company may purchase and maintain
2035 insurance on behalf of a member or manager of the company
2036 against liability asserted against or incurred by the member or
2037 manager in that capacity or arising from that status even if:

2038 (a) Under s. 608.105(3)(g) the operating agreement could
2039 not eliminate or limit the person's liability to the company for
2040 the conduct giving rise to the liability; and

2041 (b) Under s. 608.105(3)(n) the operating agreement could
2042 not provide for indemnification for the conduct giving rise to
2043 the liability.

2044 608.4091 Standards of conduct for members and managers.—

2045 (1) Each manager of a manager-managed limited liability
2046 company and member of a member-managed limited liability company
2047 shall owe fiduciary duties of loyalty and care to the limited
2048 liability company and members of the limited liability company.

2049 (2) The duty of loyalty is limited to:

2050 (a) Accounting to the limited liability company and
2051 holding as trustee for it any property, profit, or benefit
2052 derived by the manager or member, as applicable:

2053 1. In the conduct or winding up of the company's
2054 activities and affairs;

2055 2. From the use by the member or manager of the company's
2056 property; or

2057 3. From the appropriation of a company opportunity;

2058 (b) Refraining from dealing with the company in the
2059 conduct or winding up of the company's activities and affairs as

2060 or on behalf of a person having an interest adverse to the
2061 company, except to the extent that a transaction satisfies the
2062 requirements of s. 608.4091; and

2063 (c) Refraining from competing with the company in the
2064 conduct of the company's activities and affairs before the
2065 dissolution of the company.

2066 (3) The duty of care in the conduct or winding up of the
2067 company's activities and affairs is limited to refraining from
2068 engaging in grossly negligent or reckless conduct, willful or
2069 intentional misconduct, or knowing a violation of law.

2070 (4) A manager of a manager-managed limited liability
2071 company and member of a member-managed limited liability company
2072 shall discharge their duties and obligations under this chapter
2073 or under the operating agreement and exercise any rights
2074 consistently with the obligation of good faith and fair dealing.

2075 (5) A manager of a manager-managed limited liability
2076 company or a member of a member-managed limited liability
2077 company does not violate a duty or obligation under this chapter
2078 or under the operating agreement solely because the manager's or
2079 member's conduct furthers such manager's or member's own
2080 interest.

2081 (6) In discharging his, her or its duties, a manager of a
2082 manager-managed limited liability company or a member of a
2083 member-managed limited liability company is entitled to rely on
2084 information, opinions, reports, or statements, including
2085 financial statements and other financial data, if prepared or
2086 presented by:

2087 (a) One or more members or employees of the limited
2088 liability company whom the manager or member reasonably believes

2089 to be reliable and competent in the matters presented;

2090 (b) Legal counsel, public accountants, or other persons as
2091 matters the manager or member reasonably believes are within
2092 the persons' professional or expert competence; or

2093 (c) A committee of managers or members of which the
2094 affected manager or member is not a participant if the manager
2095 or member reasonably believes the committee merits confidence.

2096 (7) A manager or member, as applicable, is not acting in
2097 good faith if the manager or member has knowledge concerning the
2098 matter in question that makes reliance otherwise permitted by
2099 subsection (6) unwarranted.

2100 (8) In discharging his, her or its duties, a manager of a
2101 manager-managed limited liability company or member of a member-
2102 managed limited liability company may consider such factors as
2103 the manager or member deems relevant, including the long-term
2104 prospects and interests of the limited liability company and its
2105 members, and the social, economic, legal, or other effects of
2106 any action on the employees, suppliers, customers of the limited
2107 liability company, the communities and society in which the
2108 limited liability company operates, and the economy of the state
2109 and the nation.

2110 (9) This section applies to a person winding up the
2111 limited liability company business as the legal representative
2112 of the last surviving member as if such person were subject to
2113 this section.

2114 608.4092 Conflict of interest transactions.—

2115 (1) As used in this section, the following definitions
2116 apply:

2117 (a) A member or manager is "indirectly" a party to a

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

(b) A member or manager has an "indirect material financial interest" if a spouse or other family member has a material financial interest in the transaction, other than having an indirect interest as a member or manager of the limited liability company, or if the transaction is with an entity, other than the limited liability company, that has a material financial interest in the transaction and controls, or is controlled by, the member or manager or any other person specified in this subsection;

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

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

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

(2) If the requirements of this section have been satisfied, no transaction between a limited liability company and one or more of its members or managers, or another entity in which one or more of the limited liability company's members or managers has a financial or other interest, shall be either void or voidable because of such relationship or interest, because such members or managers are present at the meeting of the

2147 members or managers at which the transaction was authorized,
2148 approved, effectuated or ratified, or because their votes are
2149 counted for such purpose.

2150 (3) If a transaction is fair to the limited liability
2151 company at the time it is authorized, approved, effectuated or
2152 ratified, the fact that a member or manager of the limited
2153 liability company is directly or indirectly a party to the
2154 transaction, other than being an indirect party as a result of
2155 being a member or manager of the limited liability company, or
2156 has a direct or indirect material financial interest or other
2157 interest in the transaction, other than having an indirect
2158 interest as a result of being a member or manager of the limited
2159 liability company, is not grounds for equitable relief or give
2160 rise to an award of damages or other sanctions.

2161 (4)(a) In a proceeding challenging the validity of a
2162 transaction described in subsection 608.4091(1) or 608.4091(3),
2163 the person challenging the validity has the burden of proving
2164 the lack of fairness of the transaction if:

2165 1. In a manager-managed limited liability company, the
2166 material facts of the transaction and the member's or manager's
2167 interest in the transaction were disclosed or known to the
2168 managers or a committee of managers who voted upon such
2169 transaction and the transaction was authorized, approved or
2170 ratified by a majority of the disinterested managers even if the
2171 disinterested managers constitute less than a quorum, provided
2172 that the transaction cannot be authorized, approved or ratified
2173 under this subsection solely by a single manager.

2174 2. In a member-managed limited liability company, or a
2175 manager-managed limited liability company in which the managers

have failed to or cannot act under subsection 608.4091(4)(a)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
constitute less than a quorum; or

(b) If neither of the conditions set forth in subsection
(4)(a) has been satisfied, the person defending or asserting the
validity of a transaction described in subsection (3) has the
burden of proving its fairness in any proceeding challenging the
validity of the transaction.

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

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

608.4105 Records to be kept; rights of member, manager,
and person dissociated to information.—

(1) A limited liability company shall keep at its

2205 principal office or another location the following records:

2206 (a) A current list of the full names and last known
2207 business, residence, or mailing addresses of all members and
2208 managers;

2209 (b) A copy of any then-effective operating agreement and
2210 all amendments thereto, if made in a record;

2211 (c) A copy of the articles of organization, any articles
2212 of merger, articles of interest exchange, articles of conversion
2213 or articles of domestication, and any other documents and all
2214 amendments thereto, concerning the limited liability company
2215 that were filed with the Department of State, together with
2216 executed copies of any powers of attorney pursuant to which any
2217 articles of organization or such other documents were executed;

2218 (d) Copies of the limited liability company's federal,
2219 state, and local income tax returns and reports, if any, for the
2220 three most recent years;

2221 (e) Copies of any financial statements of the limited
2222 liability company for the three most recent years; and

2223 (f) Unless contained in an operating agreement made in a
2224 record, a record stating the amount of cash and a description
2225 and statement of the agreed value of the property or other
2226 benefits contributed and agreed to be contributed by each
2227 member, and the times at which, or events on the happening of
2228 which, any additional contributions agreed to be made by each
2229 member are to be made.

2230 (2) In a member-managed limited liability company, the
2231 following rules apply:

2232 (a) On reasonable notice, a member may inspect and copy
2233 during regular business hours, at a reasonable location

2234 specified by the company:

- 2235 1. Any of the records described in subsection (1); and
2236 2. Any other record maintained by the company regarding
2237 the company's activities, affairs, financial condition, and
2238 other circumstances, to the extent the information is material
2239 to the member's rights and duties under the operating agreement
2240 or this chapter.

2241 (b) The company shall furnish to each member:

- 2242 1. Without demand, any information concerning the
2243 company's activities, affairs, financial condition, and other
2244 circumstances which the company knows and is material to the
2245 proper exercise of the member's rights and duties under the
2246 operating agreement or this chapter, except to the extent the
2247 company can establish that it reasonably believes the member
2248 already knows the information; and

2249 2. On demand, any other information concerning the
2250 company's activities, affairs, financial condition, and other
2251 circumstances, except to the extent the demand or information
2252 demanded is unreasonable or otherwise improper under the
2253 circumstances;

2254 (c) The duty to furnish information under paragraph (2)
2255 also applies to each member to the extent the member knows any
2256 of the information described in paragraph (2);

2257 (3) In a manager-managed limited liability company, the
2258 following rules apply:

2259 (a) The informational rights stated in subsection (2) and
2260 the duty stated in subsection (2)(c) apply to the managers and
2261 not the members.

2262 (b) During regular business hours and at a reasonable

2263 location specified by the company, a member may inspect and
2264 copy,

2265 1. Any of the records described in subsection (1), and
2266 2. Full information regarding the activities, affairs,
2267 financial condition, and other circumstances of the company as
2268 is just and reasonable if:

2269 a. The member seeks the information for a purpose
2270 reasonably related to the member's interest as a member;
2271 b. The member makes a demand in a record received by the
2272 company, describing with reasonable particularity the
2273 information sought and the purpose for seeking the information;
2274 and
2275 c. The information sought is directly connected to the
2276 member's purpose.

2277 (c) Not later than 10 days after receiving a demand
2278 pursuant to paragraph (2)(b), the company shall in a record
2279 inform the member that made the demand of:

2280 1. The information that the company will provide in
2281 response to the demand and when and where the company will
2282 provide the information; and
2283 2. The company's reasons for declining, if the company
2284 declines to provide any demanded information.

2285 (d) Whenever this chapter or an operating agreement
2286 provides for a member to give or withhold consent to a matter,
2287 before the consent is given or withheld, the company shall,
2288 without demand, provide the member with all information that is
2289 known to the company and is material to the member's decision.

2290 (4) Subject to subsection (9), on 10 days' demand made in
2291 a record received by a limited liability company, a person

2292 dissociated as a member may have access to information to which
2293 the person was entitled while a member if:

2294 (a) The information pertains to the period during which
2295 the person was a member;
2296 (b) The person seeks the information in good faith; and
2297 (c) The person satisfies the requirements imposed on a
2298 member by subsection (3)(b).

2299 (5) A limited liability company shall respond to a demand
2300 made pursuant to subsection (4) in the manner provided in
2301 subsection (3)(c).

2302 (6) A limited liability company may charge a person that
2303 makes a demand under this section the reasonable costs of
2304 copying, limited to the costs of labor and material.

2305 (7) A member or person dissociated as a member may
2306 exercise rights under this section through an agent or, in the
2307 case of an individual under legal disability, a legal
2308 representative. Any restriction or condition imposed by the
2309 operating agreement or under subsection (9) applies both to the
2310 agent or legal representative and the member or person
2311 dissociated as a member.

2312 (8) Subject to subsection (10), the rights under this
2313 section do not extend to a person as transferee.

2314 (9) If a member dies, s. 608.5041 applies.

2315 (10) In addition to any restriction or condition stated in
2316 the operating agreement, a limited liability company, as a
2317 matter within the ordinary course of its activities and affairs,
2318 may impose reasonable restrictions and conditions on access to
2319 and use of information to be furnished under this section,
2320 including designating information confidential and imposing

nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this subsection, the company has the burden of proving reasonableness. This subsection (10) does not apply to the request by a member for the records described in subsection (1).

608.4111 Court-ordered inspection.-

(1) If a limited liability company does not allow a member, manager or other person who complies with s. 608.4105(2)(a), 608.4105(3)(a), 608.4105(3)(b) or 608.4105(4), as applicable, to inspect and copy any records required by that section to be available for inspection, the circuit court in the county where the limited liability company's principal office (or, if none in this state, its registered office) is located may summarily order inspection and copying of the records demanded at the limited liability company's expense upon application of such member, manager or other person.

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

(3) If the court orders inspection or copying of the records demanded, it may impose reasonable restrictions on the use or distribution of the records by the member, manager or

2350 other person demanding them.

2351 608.5011 Nature of transferable interest.—A transferable
2352 interest is personal property.

2353 608.5021 Transfer of transferable interest.—

2354 (1) Subject to s. 608.5031(5), a transfer, in whole or in
2355 part, of a transferable interest:

2356 (a) Is permissible;

2357 (b) Does not by itself cause a member's dissociation or a
2358 dissolution and winding up of the limited liability company's
2359 activities and affairs; and

2360 (c) Does not entitle the transferee to:

2361 1. Participate in the management or conduct of the
2362 company's activities and affairs; or

2363 2. Except as otherwise provided in subsection (3), have
2364 access to records or other information concerning the company's
2365 activities and affairs.

2366 (2) A transferee has the right to receive, in accordance
2367 with the transfer, distributions to which the transferor would
2368 otherwise be entitled.

2369 (3) In a dissolution and winding up of a limited liability
2370 company, a transferee is entitled to an account of the company's
2371 transactions only from the date of dissolution.

2372 (4) A transferable interest may be evidenced by a
2373 certificate of the interest issued by the limited liability
2374 company in a record, and, subject to this section, the interest
2375 represented by the certificate may be transferred by a transfer
2376 of the certificate.

2377 (5) A limited liability company need not give effect to a
2378 transferee's rights under this section until the company knows

2379 or has notice of the transfer.

2380 (6) A transfer of a transferable interest in violation of
2381 a restriction on transfer contained in the operating agreement
2382 is ineffective as to a person having knowledge or notice of the
2383 restriction at the time of transfer.

2384 (7) Except as otherwise provided in s. 608.602(5)(b), if a
2385 member transfers a transferable interest, the transferor retains
2386 the rights of a member other than the transferable interest
2387 transferred and retains all the duties and obligations of a
2388 member.

2389 (8) If a member transfers a transferable interest to a
2390 person that becomes a member with respect to the transferred
2391 interest, the transferee is liable for the member's obligations
2392 under ss.. 608.4031 and 608.4062(3) known to the transferee when
2393 the transferee becomes a member.

2394 608.5031 Charging order.-

2395 (1) On application to a court of competent jurisdiction by
2396 any judgment creditor of a member or a transferee, the court may
2397 enter a charging order against the transferable interest of the
2398 member or transferee for payment of the unsatisfied amount of
2399 the judgment with interest. Except as provided in subsection
2400 (5), a charging order constitutes a lien upon a judgment
2401 debtor's transferable interest and requires the limited
2402 liability company to pay over to the judgment creditor any
2403 distribution that would otherwise be paid to the judgment
2404 debtor.

2405 (2) This chapter does not deprive any member or transferee
2406 of the benefit of any exemption laws applicable to the
2407 transferable interest of the member or transferee.

2408 (3) Except as provided in subsections (4) and (5), a
2409 charging order is the sole and exclusive remedy by which a
2410 judgment creditor of a member or member's transferee may satisfy
2411 a judgment from the judgment debtor's interest in a limited
2412 liability company or rights to distributions from the limited
2413 liability company.

2414 (4) In the case of a limited liability company having only
2415 one member, if a judgment creditor of a member or member's
2416 transferee establishes to the satisfaction of a court of
2417 competent jurisdiction that distributions under a charging order
2418 will not satisfy the judgment within a reasonable time, a
2419 charging order is not the sole and exclusive remedy by which the
2420 judgment creditor may satisfy the judgment against a judgment
2421 debtor who is the sole member of a limited liability company or
2422 the transferee of the sole member, and upon such showing, the
2423 court may order the sale of that interest in the limited
2424 liability company pursuant to a foreclosure sale. A judgment
2425 creditor may make a showing to the court that distributions
2426 under a charging order will not satisfy the judgment within a
2427 reasonable time at any time after the entry of the judgment and
2428 may do so at the same time that the judgment creditor applies
2429 for the entry of a charging order.

2430 (5) In the case of a limited liability company having only
2431 one member, if the court orders a foreclosure sale of a judgment
2432 debtor's interest in the limited liability company or of a
2433 charging order lien against the sole member of the limited
2434 liability company pursuant to subsection (4):

2435 (a) The purchaser at the court-ordered foreclosure sale
2436 obtains the member's entire limited liability company interest,

2437 not merely the rights of a transferee;

2438 (b) The purchaser at the sale becomes the member of the
2439 limited liability

2440 company; and

2441 (c) The person whose limited liability company interest is
2442 sold pursuant to the foreclosure sale or is the subject of the
2443 foreclosed charging order ceases to be a member of the limited
2444 liability company.

2445 (6) In the case of a limited liability company having more
2446 than one member, the remedy of foreclosure on a judgment
2447 debtors interest in such limited liability company or against
2448 rights to distribution from such limited liability company is
2449 not available to a judgment creditor attempting to satisfy the
2450 judgment and may not be ordered by a court.

2451 (7) Nothing in this section shall limit:

2452 (a) The rights of a creditor that has been granted a
2453 consensual security interest in a limited liability company
2454 interest to pursue the remedies available to such secured
2455 creditor under other law applicable to secured creditors;

2456 (b) The principles of law and equity which affect
2457 fraudulent transfers;

2458 (c) The availability of the equitable principles of alter
2459 ego, equitable lien, or constructive trust, or other equitable
2460 principles not inconsistent with this section; or

2461 (d) The continuing jurisdiction of the court to enforce
2462 its charging order in a manner consistent with this section.

2463 608.5041 Power of legal representative.— If a member who
2464 is an individual dies or a court of competent jurisdiction
2465 adjudges the member to be incompetent to manage the member's

2466 person or property, the member's legal representative may
2467 exercise all of the member's rights for the purpose of settling
2468 the member's estate or administering the member's property,
2469 including any power under an operating agreement of a transferee
2470 to become a member. If a member is a corporation, trust or other
2471 entity and is dissolved or terminated, the powers of that member
2472 may be exercised by its legal representative.

2473 608.6011 Power to dissociate as member; wrongful
2474 dissociation.-

2475 (1) A person has the power to dissociate as a member at
2476 any time, rightfully or wrongfully, by withdrawing as a member
2477 by express will under s. 608.602(1).

2478 (2) A person's dissociation as a member is wrongful only
2479 if the dissociation:

2480 (a) Is in breach of an express provision of the operating
2481 agreement; or

2482 (b) Occurs before completion of the winding up of the
2483 company and:

2484 1. The person withdraws as a member by express will;
2485 2. The person is expelled as a member by judicial order
2486 under s. 608.602(6);

2487 3. The person is dissociated under s. 608.602(8); or
2488 4. In the case of a person that is not a trust other than
2489 a business trust, an estate, or an individual, the person is
2490 expelled or otherwise dissociated as a member because it
2491 willfully dissolved or terminated.

2492 (3) A person that wrongfully dissociates as a member is
2493 liable to the limited liability company and, subject to s.
2494 608.801, to the other members for damages caused by the

2495 dissociation. The liability is in addition to any debt,
2496 obligation, or other liability of the member to the company or
2497 the other members.

2498 608.602 Events causing dissociation.—A person is
2499 dissociated as a member when:

2500 (1) The company has notice of the person's express will to
2501 withdraw as a member, but, if the person specified a withdrawal
2502 date later than the date the company had notice, on that later
2503 date;

2504 (2) An event stated in the operating agreement as causing
2505 the person's dissociation occurs;

2506 (3) The person's entire interest is transferred in a
2507 foreclosure sale under s. 608.5031(5);

2508 (4) The person is expelled as a member pursuant to the
2509 operating agreement;

2510 (5) The person is expelled as a member by the unanimous
2511 consent of the other members if:

2512 (a) It is unlawful to carry on the company's activities
2513 and affairs with the person as a member;

2514 (b) There has been a transfer of all the person's
2515 transferable interest in the company, other than:

2516 1. A transfer for security purposes; or

2517 2. A charging order in effect under s. 608.5031 which has
2518 not been foreclosed;

2519 (c) The person is a corporation and

2520 1. The company notifies the person that it will be
2521 expelled as a member because the person has filed articles or a
2522 certificate of dissolution or the equivalent, its charter has
2523 been revoked, or its right to conduct business has been

suspended by the jurisdiction of its formation; and

2. Not later than 90 days after the notification, the articles or certificate of dissolution or the equivalent has not been revoked or its charter or right to conduct business has not been reinstated; or

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

(6) On application by the company or a member in a direct action under s. 608.801, the person is expelled as a member by judicial order because the person:

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

(b) Has committed willfully or persistently, or is committing willfully and persistently, a material breach of the operating agreement or a duty or obligation under s. 608.4091; or

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

(7) In the case of an individual:

(a) The individual dies; or

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

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

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

2553 (8) In a member-managed limited liability company, the
2554 person:
2555 (a) Becomes a debtor in bankruptcy;
2556 (b) Executes an assignment for the benefit of creditors;
2557 or
2558 (c) Seeks, consents to, or acquiesces in the appointment
2559 of a trustee, receiver, or liquidator of the person or of all or
2560 substantially all the person's property;
2561 (9) In the case of a person that is a testamentary or
2562 inter vivos trust or is acting as a member by virtue of being a
2563 trustee of such a trust, the trust's entire transferable
2564 interest in the company is distributed;
2565 (10) In the case of a person that is an estate or is
2566 acting as a member by virtue of being a legal representative of
2567 an estate, the estate's entire transferable interest in the
2568 company is distributed;
2569 (11) In the case of a person that is not an individual,
2570 corporation, unincorporated entity, trust, or estate, the
2571 existence of the person terminates;
2572 (12) The company participates in a merger under ss.
2573 608.1021-608.1026, and:
2574 (a) The company is not the surviving entity; or,
2575 (b) Otherwise as a result of the merger, the person ceases
2576 to be a member;
2577 (13) The company participates in a conversion under
2578 ss. 608.1041-608.1046 and the person ceases to be member;
2579 (14) The company participates in an interest exchange
2580 under ss. 608.1031-608.1036 and the person ceases to be a
2581 member; or

2582 (15) The company dissolves and completes winding up.

2583 608.603 Effect of dissociation.—

2584 (1) If a person is dissociated as a member:

2585 (a) The person's right to participate as a member in the
2586 management and conduct of the company's activities and affairs
2587 terminates;

2588 (b) If the company is member-managed, the person's duties
2589 and obligations under s. 608.4091 as a member end with regard to
2590 matters arising and events occurring after the person's
2591 dissociation; and

2592 (c) Subject to s. 608.5041 and ss. 608.1001-608.1072, any
2593 transferable interest owned by the person in the person's
2594 capacity immediately before dissociation as a member is owned by
2595 the person solely as a transferee.

2596 (2) A person's dissociation as a member does not of itself
2597 discharge the person from any debt, obligation, or other
2598 liability to the company or the other members which the person
2599 incurred while a member.

2600 608.7011 Events causing dissolution.—A limited liability
2601 company is dissolved, and its activities and affairs must be
2602 wound up, upon the occurrence of any of the following:

2603 (1) An event or circumstance that the operating agreement
2604 states causes dissolution;

2605 (2) The consent of all the members;

2606 (3) The passage of 90 consecutive days during which the
2607 company has no members, unless:

2608 (a) Consent to admit at least one specified person as a
2609 member is given by transferees owning the rights to receive a
2610 majority of distributions as transferees at the time the consent

2611 is to be effective; and

2612 (b) At least one person becomes a member in accordance
2613 with the consent;

2614 (4) The entry of a decree of judicial dissolution in
2615 accordance with s. 608.7051; or

2616 (5) The filing of a statement of administrative
2617 dissolution by the Department of State under s. 608.714.

2618 608.7021 Grounds for judicial dissolution.—A circuit court
2619 may dissolve a limited liability company:

2620 (1) In a proceeding by the Department of Legal Affairs if
2621 it is established that:

2622 (a) The limited liability company obtained its articles of
2623 organization through fraud; or

2624 (b) The limited liability company has continued to exceed
2625 or abuse the authority conferred upon it by law.

2626
2627 The enumeration in clauses (a) and (b) of this subsection of
2628 grounds for involuntary dissolution does not exclude actions or
2629 special proceedings by the Department of Legal Affairs or any
2630 state official for the annulment or dissolution of a limited
2631 liability company for other causes as provided in any other law
2632 of this state.

2633 (2) In a proceeding by a manager or member if it is
2634 established that:

2635 (a) The conduct of all or substantially all of the
2636 company's activities and affairs is unlawful;

2637 (b) It is not reasonably practicable to carry on the
2638 company's activities and affairs in conformity with the articles
2639 of organization and the operating agreement;

2640 (c) The managers or those members in control of the
2641 company have acted, are acting, or are reasonably expected to
2642 act in a manner that is illegal or fraudulent;

2643 (d) The limited liability company's assets are being
2644 misappropriated or wasted, causing material injury to the
2645 limited liability company, or in a proceeding by a member,
2646 causing material injury to one or more of its members; or

2647 (e) Subject to subsection (f), the managers or those
2648 members in control of the limited liability company are
2649 deadlocked in the management of the limited liability company
2650 affairs, the members are unable to break the deadlock, and
2651 irreparable injury to the limited liability company is
2652 threatened or being suffered.

2653 (f) An operating agreement may contain one or more a
2654 deadlock sale provisions. If, in the event of a deadlock among
2655 the managers or members in control of the limited liability
2656 company, the members are unable to break the deadlock, and
2657 irreparable injury to the limited liability company is
2658 threatened or being suffered, the operating agreement contains a
2659 deadlock sale provision that is mandatory or has been triggered
2660 by a member prior to the establishment of the grounds for
2661 judicial dissolution under this subsection, the grounds for
2662 judicial dissolution under subsection (e) shall no longer be
2663 applicable to the that deadlock. For purposes of this
2664 subsection, a "deadlock sale provision" means a provision in an
2665 operating agreement, which is applicable in the event of a
2666 deadlock among the managers or members in control of the limited
2667 liability company that the members are unable to break, that
2668 provides for a mandatory or a member triggered purchase and sale

2669 of interests or governance interests among or between members or
2670 a required or member triggered sale of the assets of the
2671 company, or a similar provision that, if applicable, breaks the
2672 deadlock by causing the transfer of the interests or governance
2673 interests of one or more members or the sale of the Company's
2674 assets.

2675 (3) In a proceeding by the limited liability company to
2676 have its voluntary dissolution continued under court
2677 supervision.

2678 608.7031 Procedure for judicial dissolution; alternative
2679 remedies.-

2680 (1) Venue for a proceeding brought under s. 608.7021 lies
2681 in the circuit court of the county where the limited liability
2682 company's principal office is or was last located, as shown by
2683 the records of the Department of State, or, if none in this
2684 state, where its registered office is or was last located.

2685 (2) It is not necessary to make members parties to a
2686 proceeding to dissolve a limited liability company unless relief
2687 is sought against them individually.

2688 (3) A court in a proceeding brought to dissolve a limited
2689 liability company may issue injunctions, appoint a receiver or
2690 custodian pendente lite with all powers and duties the court
2691 directs, take other action required to preserve the limited
2692 liability company's assets wherever located, and carry on the
2693 business of the limited liability company until a full hearing
2694 can be held.

2695 (4) In a proceeding brought under s. 608.7021, the court
2696 may, upon a showing of sufficient merit to warrant such a
2697 remedy:

2698 (a) Appoint a receiver or custodian under s. 608.7041;
2699 (b) Order a purchase of a petitioning member's interest
2700 pursuant to s. 608.7061; or
2701 (c) Upon a showing of good cause, order any other remedy
2702 it may deem appropriate in its discretion, including any
2703 equitable remedy.

2704 (5) In a proceeding brought under s. 608.7021, all of the
2705 provisions of s. 57.105 shall apply.

2706 608.7041 Receivership or custodianship.—

2707 (1) A court in a judicial proceeding brought to dissolve a
2708 limited liability company may appoint one or more receivers to
2709 wind up and liquidate, or one or more custodians to manage, the
2710 business and affairs of the limited liability company. The court
2711 shall hold a hearing, after notifying all parties to the
2712 proceeding and any interested persons designated by the court,
2713 before appointing a receiver or custodian. The court appointing
2714 a receiver or custodian has exclusive jurisdiction over the
2715 limited liability company and all of its property wherever
2716 located.

2717 (2) The court may appoint a person authorized to act as a
2718 receiver or custodian. The court may require the receiver or
2719 custodian to post bond, with or without sureties, in an amount
2720 the court directs.

2721 (3) The court shall describe the powers and duties of the
2722 receiver or custodian in its appointing order, which may be
2723 amended from time to time. Among other powers:

2724 (a) The receiver:

2725 1. May dispose of all or any part of the assets of the
2726 limited liability company wherever located, at a public or

2727 private sale, if authorized by the court; and

2728 2. May sue and defend in the receiver's own name as

2729 receiver of the limited liability company in all courts of this
2730 state; and

2731 (b) The custodian may exercise all of the powers of the
2732 limited liability company, through or in place of its managers
2733 or members, to the extent necessary to manage the activities and
2734 affairs of the limited liability company in the best interests
2735 of its members and creditors.

2736 (4) The court during a receivership may redesignate the
2737 receiver a custodian, and during a custodianship may redesignate
2738 the custodian a receiver, if doing so is in the best interests
2739 of the limited liability company and its members and creditors.

2740 (5) The court from time to time during the receivership or
2741 custodianship may order compensation paid and expense
2742 disbursements or reimbursements made to the receiver or
2743 custodian and the receiver's or custodian's counsel from the
2744 assets of the limited liability company or proceeds from the
2745 sale of any part or all of those assets.

2746 (6) The court has jurisdiction to appoint an ancillary
2747 receiver for the assets and business of a limited liability
2748 company. The ancillary receiver shall serve ancillary to a
2749 receiver located in any other state, whenever the court deems
2750 that circumstances exist requiring the appointment of such a
2751 receiver. The court may appoint such an ancillary receiver for a
2752 foreign limited liability company even though no receiver has
2753 been appointed elsewhere. Such receivership shall be converted
2754 into an ancillary receivership when an order entered by a court
2755 of competent jurisdiction in the other state provides for a

2756 receivership of the foreign limited liability company.

2757 608.7051 Decree of dissolution.—

2758 (1) If after a hearing the court determines that one or
2759 more grounds for judicial dissolution described in s. 608.7021
2760 exist, the court may enter a decree dissolving the limited
2761 liability company and specifying the effective date of the
2762 dissolution, and the clerk of the court shall deliver a
2763 certified copy of the decree to the Department of State, which
2764 shall file it.

2765 (2) After entering the decree of dissolution, the court
2766 shall direct the winding up and liquidation of the limited
2767 liability company's activities and affairs in accordance with
2768 ss. 608.709-608.713, subject to the provisions of subsection (3)
2769 of this s. 608.7051.

2770 (3) In a proceeding for judicial dissolution, the court
2771 may require all creditors of the limited liability company to
2772 file with the clerk of the court or with the receiver, in such
2773 form as the court may prescribe, proofs under oath of their
2774 respective claims. If the court requires the filing of claims,
2775 it shall fix a date, which shall not be less than four months
2776 from the date of the order, as the last day for filing of
2777 claims. The court shall prescribe the deadline for filing claims
2778 that shall be given to creditors and claimants. Prior to the
2779 date so fixed, the court may extend the time for the filing of
2780 claims by court order. Creditors and claimants failing to file
2781 proofs of claim on or before the date so fixed may be barred, by
2782 order of court, from participating in the distribution of the
2783 assets of the limited liability company. Nothing in this section
2784 affects the enforceability of any recorded mortgage or lien or

2785 the perfected security interest or rights of a person in
2786 possession of real or personal property.

2787 608.7061 Election to purchase instead of dissolution.—
2788 (1) In a proceeding initiated by a member of a limited
2789 liability company under s. 608.7021(2) to dissolve the company,
2790 the company may elect, or, if it fails to elect, one or more
2791 other members may elect to purchase the entire interest of the
2792 petitioner in the company at the fair value of the interest. An
2793 election pursuant to this section shall be irrevocable unless
2794 the court determines that it is equitable to set aside or modify
2795 the election.

2796 (2) An election to purchase pursuant to this section may
2797 be filed with the court at any time within 90 days after the
2798 filing of the petition by the petitioning member under s.
2799 608.7021(2) or at such later time as the court in its discretion
2800 may allow. If the election to purchase is filed, the company
2801 shall, within 10 days thereafter, give written notice to all
2802 members, other than the petitioning member. The notice must
2803 describe the interest in the company owned by each petitioning
2804 member and must advise the recipients of their right to join in
2805 the election to purchase the petitioning member's interest in
2806 accordance with this section. Members who wish to participate
2807 must file notice of their intention to join in the purchase no
2808 later than 30 days after the effective date of the notice to
2809 them. All members who have filed an election or notice of their
2810 intention to participate in the election to purchase thereby
2811 become parties to the proceeding and shall participate in the
2812 purchase in proportion to their ownership interest as of the
2813 date the first election was filed, unless they otherwise agree

2814 or the court otherwise directs. After an election to purchase
2815 has been filed by the limited liability company or one or more
2816 members, the proceeding under s. 608.7021(2) may not be
2817 discontinued or settled, nor may the petitioning member sell or
2818 otherwise dispose of interest of the petitioner in the company,
2819 unless the court determines that it would be equitable to the
2820 company and the members, other than the petitioner, to permit
2821 such discontinuance, settlement, sale, or other disposition.

2822 (3) If, within 60 days after the filing of the first
2823 election, the parties reach agreement as to the fair value and
2824 terms of the purchase of the petitioner's interest, the court
2825 shall enter an order directing the purchase of petitioner's
2826 interest upon the terms and conditions agreed to by the parties.

2827 (4) If the parties are unable to reach an agreement as
2828 provided for in subsection (3), the court, upon application of
2829 any party, shall stay the s. 608.7021(2) proceedings and
2830 determine the fair value of the petitioner's interest as of the
2831 day before the date on which the petition under s. 608.7021(2)
2832 was filed or as of such other date as the court deems
2833 appropriate under the circumstances.

2834 (5) Upon determining the fair value of the petitioner's
2835 interest in the company, the court shall enter an order
2836 directing the purchase upon such terms and conditions as the
2837 court deems appropriate, which may include payment of the
2838 purchase price in installments, when necessary in the interests
2839 of equity, provision for security to assure payment of the
2840 purchase price and any additional costs, fees, and expenses as
2841 may have been awarded, and, if the interest is to be purchased
2842 by members, the allocation of the interest among those members.

2843 In allocating petitioner's interest among holders of different
2844 classes or series of interests in the company, the court shall
2845 attempt to preserve the existing distribution of voting rights
2846 among holders of different classes insofar as practicable and
2847 may direct that holders of a specific class or classes or series
2848 shall not participate in the purchase. Interest may be allowed
2849 at the rate and from the date determined by the court to be
2850 equitable; however, if the court finds that the refusal of the
2851 petitioning member to accept an offer of payment was arbitrary
2852 or otherwise not in good faith, no payment of interest shall be
2853 allowed. If the court finds that the petitioning member had
2854 probable grounds for relief under s. 608.7021(2)(d) or (e), it
2855 may award to the petitioning member reasonable fees and expenses
2856 of counsel and of any experts employed by petitioner.

2857 (6) Upon entry of an order under subsection (3) or
2858 subsection (5), the court shall dismiss the petition to dissolve
2859 the limited liability company under s. 608.7021 and the
2860 petitioning member shall no longer have any rights or status as
2861 a member of the limited liability company, except the right to
2862 receive the amounts awarded by the order of the court, which
2863 shall be enforceable in the same manner as any other judgment.

2864 (7) The purchase ordered pursuant to subsection (5) shall
2865 be made within 10 days after the date the order becomes final
2866 unless, before that time, the limited liability company files
2867 with the court a notice of its intention to dissolve pursuant to
2868 s. 608.7011(2), in which case articles of dissolution for the
2869 company must be filed within 50 days thereafter. Upon filing of
2870 such articles of dissolution, the limited liability company
2871 shall be dissolved in accordance with the provisions of ss.

2872 608.709-608.713, and the order entered pursuant to subsection
2873 (5) shall no longer be of any force or effect, except that the
2874 court may award the petitioning member reasonable fees and
2875 expenses of counsel and any experts in accordance with the
2876 provisions of subsection (5) and the petitioner may continue to
2877 pursue any claims previously asserted on behalf of the limited
2878 liability company.

2879 (8) Any payment by the limited liability company pursuant
2880 to an order under subsection (3) or subsection (5), other than
2881 an award of fees and expenses pursuant to subsection (5), is
2882 subject to the provisions of s. 608.4051.

2883 608.707 Articles of dissolution; filing of articles of
2884 dissolution.—

2885 (1) Upon the occurrence of an event described in
2886 subsections 608.7011(1)-608.7011(3), the limited liability
2887 company shall deliver for filing articles of dissolution as
2888 provided in this section.

2889 (2) The articles of dissolution shall set forth:

2890 (a) The name of the limited liability company.

2891 (b) The effective date of the limited liability company's
2892 dissolution.

2893 (c) The occurrence that resulted in the limited liability
2894 company's dissolution under subsections 608.7011(1)-608.7011(3);
2895 and

2896 (d) If there are no members, the name, address, and
2897 signature of the person appointed in accordance with this
2898 subsection to wind up the company.

2899 (3) The articles of dissolution of the limited liability
2900 company shall be delivered to the Department of State. If the

2901 Department of State finds that the articles of dissolution
2902 conform to law, it shall, when all fees have been paid as
2903 prescribed in this chapter, file the articles of dissolution and
2904 issue a certificate of dissolution.

2905 (4) Upon the filing of the articles of dissolution, the
2906 limited liability company shall cease conducting its business
2907 and shall continue solely for the purpose of winding up its
2908 affairs in accordance with s. 608.709, except for the purpose of
2909 suits, other proceedings, and appropriate action as provided in
2910 this chapter.

2911 608.708 Revocation of articles of dissolution.—

2912 (1) A limited liability company that has dissolved as the
2913 result of an event described in subsections 608.7011(1)-
2914 608.7011(3) and filed articles of dissolution with the
2915 Department of State, but has not filed a statement of
2916 termination in accordance with s. 608.709(7) that has become
2917 effective, may revoke its dissolution at any time prior to the
2918 expiration of 120 days following the effective date of its
2919 articles of dissolution.

2920 (2) The revocation of the dissolution shall be authorized
2921 in the same manner as the dissolution was authorized.

2922 (3) After the revocation of dissolution is authorized, the
2923 limited liability company shall deliver a statement of
2924 revocation of dissolution to the Department of State for filing,
2925 together with a copy of its articles of dissolution, that sets
2926 forth:

2927 (a) The name of the limited liability company;
2928 (b) The effective date of the dissolution that was
2929 revoked; and

2930 (c) The date that the statement of revocation of
2931 dissolution was authorized.

2932 (4) If there has been substantial compliance with
2933 subsection (3), the revocation of dissolution is effective when
2934 the Department of State files the statement of revocation of
2935 dissolution.

2936 (5) When the revocation of dissolution becomes effective:

2937 (a) The company resumes carrying on its activities and
2938 affairs as if dissolution had never occurred;

2939 (b) Subject to paragraph (c), any liability incurred by
2940 the company after the dissolution and before the revocation is
2941 effective is determined as if dissolution had never occurred;
2942 and

2943 (c) The rights of a third party arising out of conduct in
2944 reliance on the dissolution before the third party knew or had
2945 notice of the revocation may not be adversely affected.

2946 608.709 Winding up.—

2947 (1) A dissolved limited liability company shall wind up
2948 its activities and affairs and, except as otherwise provided in
2949 ss. 608.708 and 608.715, the company continues after dissolution
2950 only for the purpose of winding up.

2951 (2) In winding up its activities and affairs, a limited
2952 liability company:

2953 (a) Shall discharge or make provision for the company's
2954 debts, obligations and other liabilities as provided in ss.
2955 608.711-608.713, settle and close the company's activities and
2956 affairs, and marshal and distribute the assets of the company;
2957 and

2958 (b) May:

- 2959 1. Preserve the company's activities, affairs, and
2960 property as a going concern for a reasonable time;
2961 2. Prosecute and defend actions and proceedings, whether
2962 civil, criminal, or administrative;
2963 3. Transfer title to the company's real estate and other
2964 property;
2965 4. Settle disputes by mediation or arbitration;
2966 5. Dispose of its properties that will not be distributed
2967 in kind to its members; and
2968 6. Perform other acts necessary or appropriate to the
2969 winding up.
- 2970 (3) If a dissolved limited liability company has no
2971 members, the legal representative of the last person to have
2972 been a member may wind up the activities and affairs of the
2973 company. If the legal representative does so, the person has the
2974 powers of a sole manager under s. 608.4071(3) and is deemed to
2975 be a manager for the purposes of s. 608.304(1).
- 2976 (4) If the legal representative under subsection (3)
2977 declines or fails to wind up the company's activities and
2978 affairs, a person may be appointed to do so by the consent of
2979 transferees owning a majority of the rights to receive
2980 distributions as transferees at the time the consent is to be
2981 effective. A person appointed under this subsection has the
2982 powers of a sole manager under s. 608.4071(3) and is deemed to
2983 be a manager for the purposes of s. 608.304(1).
- 2984 (5) A circuit court may order judicial supervision of the
2985 winding up of a dissolved limited liability company, including
2986 the appointment of one or more persons to wind up the company's
2987 activities and affairs:

2988 (a) On application of a member or manager, if the
2989 applicant establishes good cause;

2990 (b) On the application of a transferee, if:

2991 1. The company does not have any members;

2992 2. The legal representative of the last person to have
2993 been a member declines or fails to wind up the company's
2994 activities and affairs; and

2995 3. Within a reasonable time following the dissolution a
2996 person has not been appointed pursuant to subsection (3);

2997 (c) On application of a creditor of the company if the
2998 applicant establishes good cause, but only if a receiver,
2999 custodian or another person has not already been appointed for
3000 that purpose under this chapter; or

3001 (d) In connection with a proceeding under s. 608.7021, if
3002 a receiver, custodian or another person has not already been
3003 appointed for that purpose under s. 608.7041.

3004 (6) The person or persons appointed by a court under
3005 subsection (5) may also be designated trustees or receivers of
3006 and for the company, with the authority and power to take charge
3007 of the limited liability company's property, and to collect the
3008 debts and property due and belonging to the limited liability
3009 company, and with the power to prosecute and defend, in the name
3010 of the limited liability company, or otherwise, all such suits
3011 as may be necessary or proper for the purposes described above,
3012 and to appoint an agent or agents under them, and to do all
3013 other acts which might be done by the limited liability company,
3014 if in being, that may be necessary for the final settlement of
3015 the unfinished activities and affairs of the limited liability
3016 company. The powers of the trustees or receivers may be

3017 continued as long as the court determines necessary for the
3018 above purposes.

3019 (7) A dissolved limited liability company that has
3020 completed winding up may deliver to the Department of State for
3021 filing a statement of termination that states:

3022 (a) The name of the limited liability company;

3023 (b) The date of filing of its initial articles of
3024 organization;

3025 (c) The date of the filing of its articles of dissolution;

3026 (d) The limited liability company has completed winding up
3027 its affairs and has determined that it will file a statement of
3028 termination; and

3029 (e) Any other information as determined by the authorized
3030 representative.

3031 (8) The manager or managers in office at the time of
3032 dissolution, or the survivors of them, or, if none, the members,
3033 shall thereafter be trustees for the members and creditors of
3034 the dissolved limited liability company; and as such the
3035 trustees shall have authority to distribute any property of the
3036 limited liability company discovered after dissolution, to
3037 convey real estate and other property, and to take such other
3038 action as may be necessary on behalf of and in the name of such
3039 dissolved limited liability company.

3040 608.711 Disposition of assets in winding up.-

3041 (1) In winding up its activities and affairs, a limited
3042 liability company shall apply its assets to discharge its
3043 obligations to creditors, including members that are creditors.

3044 (2) After a limited liability company complies with
3045 subsection (1), any surplus shall be distributed in the

3046 following order, subject to any charging order in effect under
3047 s. 608.5031:

3048 (a) To each person owning a transferable interest that
3049 reflects contributions made and not previously returned, an
3050 amount equal to the value of the unreturned contributions; and

3051 (b) To members and dissociated members, in the
3052 proportions in which they shared in distributions before
3053 dissolution, except to the extent necessary to comply with any
3054 transfer effective under s. 608.5021.

3055 (3) If the limited liability company does not have
3056 sufficient surplus to comply with subsection (2)(a), any surplus
3057 must be distributed among the owners of transferable interests
3058 in proportion to the value of their respective unreturned
3059 contributions.

3060 (4) All distributions made under subsections (2) and (3)
3061 must be paid in money.

3062 608.7112 Known claims against dissolved limited liability
3063 company.—

3064 (1) A dissolved limited liability company or successor
3065 entity, as defined in subsection (14), may dispose of the known
3066 claims against it by following the procedure described in
3067 subsections (2)-(7).

3068 (2) A dissolved limited liability company or successor
3069 entity shall deliver to each of its known claimants written
3070 notice of the dissolution at any time after its effective date.
3071 The written notice shall:

3072 (a) Provide a reasonable description of the claim that the
3073 claimant may be entitled to assert;

3074 (b) State whether the claim is admitted or not admitted,

3075 in whole or in part, and, if admitted:

3076 1. The amount that is admitted, which may be as of a given
3077 date; and

3078 2. Any interest obligation if fixed by an instrument of
3079 indebtedness;

3080 (c) Provide a mailing address to which a claim may be
3081 sent;

3082 (d) State the deadline, which may not be fewer than 120
3083 days after the effective date of the written notice, by which
3084 confirmation of the claim must be delivered to the dissolved
3085 limited liability company or successor entity; and

3086 (e) State that the dissolved limited liability company or
3087 successor entity may make distributions thereafter to other
3088 claimants and to the members or transferees of the limited
3089 liability company or persons interested as having been such
3090 without further notice.

3091 (3) A dissolved limited liability company or successor
3092 entity may reject, in whole or in part, any claim made by a
3093 claimant pursuant to this subsection by mailing notice of such
3094 rejection to the claimant within 90 days after receipt of such
3095 claim and, in all events, at least 150 days before expiration of
3096 three years following the effective date of dissolution. A
3097 notice sent by the dissolved limited liability company or
3098 successor entity pursuant to this subsection shall be
3099 accompanied by copy of this section.

3100 (4) A dissolved limited liability company or successor
3101 entity electing to follow the procedures described in
3102 subsections (2) and (3) shall also give notice of the
3103 dissolution of the limited liability company to persons with

known claims that are contingent upon the occurrence or nonoccurrence of future events or otherwise conditional or unmatured, and request that such persons present such claims in accordance with the terms of such notice. Such notice shall be in substantially the form, and sent in the same manner, as described in subsection (2).

(5) A dissolved limited liability company or successor entity shall offer any claimant whose known claim is contingent, conditional, or unmatured such security as the limited liability company or such entity determines is sufficient to provide compensation to the claimant if the claim matures. The dissolved limited liability company or successor entity shall deliver such offer to the claimant within 90 days after receipt of such claim and, in all events, at least 150 days before expiration of three years following the effective date of dissolution. If the claimant offered such security does not deliver in writing to the dissolved limited liability company or successor entity a notice rejecting the offer within 120 days after receipt of such offer for security, the claimant is deemed to have accepted such security as the sole source from which to satisfy his or her claim against the limited liability company.

(6) A dissolved limited liability company or successor entity which has given notice in accordance with subsections (2) and (4) shall petition the circuit court in the applicable county to determine the amount and form of security that will be sufficient to provide compensation to any claimant who has rejected the offer for security made pursuant to subsection (5).

(7) A dissolved limited liability company or successor entity which has given notice in accordance with subsection (2)

3133 shall petition the circuit court in the applicable county to
3134 determine the amount and form of security which will be
3135 sufficient to provide compensation to claimants whose claims are
3136 known to the limited liability company or successor entity but
3137 whose identities are unknown. The court shall appoint a guardian
3138 ad litem to represent all claimants whose identities are unknown
3139 in any proceeding brought under this subsection. The reasonable
3140 fees and expenses of such guardian, including all reasonable
3141 expert witness fees, shall be paid by the petitioner in such
3142 proceeding.

3143 (8) The giving of any notice or making of any offer
3144 pursuant to the provisions of this section shall not revive any
3145 claim then barred, extend any otherwise applicable statute of
3146 limitations or constitute acknowledgment by the dissolved
3147 limited liability company or successor entity that any person to
3148 whom such notice is sent is a proper claimant and shall not
3149 operate as a waiver of any defense or counterclaim in respect of
3150 any claim asserted by any person to whom such notice is sent.

3151 (9) A dissolved limited liability company or successor
3152 entity which has followed the procedures described in
3153 subsections (2)-(7) shall:

3154 (a) Pay the claims admitted or made and not rejected in
3155 accordance with subsection (3);

3156 (b) Post the security offered and not rejected pursuant to
3157 subsection (5);

3158 (c) Post any security ordered by the circuit court in any
3159 proceeding under subsections (6) and (7); and

3160 (d) Pay or make provision for all other known obligations
3161 of the limited liability company or such successor entity.

If there are sufficient funds, such claims or obligations shall be paid in full, and any such provision for payments shall be made in full. If there are insufficient funds, such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of funds legally available therefor. Any remaining funds shall be distributed to the members and transferees of the dissolved limited liability company; however, such distribution may not be made before the expiration of 150 days after the date of the last notice of any rejection given pursuant to subsection (3). In the absence of actual fraud, the judgment of the managers of a dissolved manager-managed limited liability company, or the members of a dissolved member-managed limited liability company, or other person or persons winding up the limited liability company under s. 608.709, or the governing persons of such successor entity, as to the provisions made for the payment of all obligations under paragraph (d), is conclusive.

(10) A dissolved limited liability company or successor entity which has not followed the procedures described in subsections (2) and (3) shall pay or make reasonable provision to pay all known claims and obligations, including all contingent, conditional, or unmatured claims known to the dissolved limited liability company or such successor entity and all claims which are known to the dissolved limited liability company or such successor entity but for which the identity of the claimant is unknown. If there are sufficient funds, such claims shall be paid in full, and any such provision made for payment shall be made in full. If there are insufficient funds,

such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of funds legally available therefor. Any remaining funds shall be distributed to the members and transferees of the dissolved limited liability company.

(11) A member or transferee of a dissolved limited liability company to which the assets of which were distributed pursuant to subsection (9) or subsection (10) is not liable for any claim against the limited liability company in an amount in excess of such member's or transferee's pro rata share of the claim or the amount distributed to the member or transferee, whichever is less.

(12) A member or transferee of a dissolved limited liability company to which the assets of which were distributed pursuant to subsection (9), is not liable for any claim against the limited liability company which claim is known to the limited liability company or successor entity and on which a proceeding is not begun prior to the expiration of three years following the effective date of dissolution.

(13) The aggregate liability of any person for claims against the dissolved limited liability company arising under this section or s. 608.712 may not exceed the amount distributed to the person in dissolution.

(14) As used in this section or s. 608.712, the term "successor entity" includes any trust, receivership, or other legal entity governed by the laws of this state to which the remaining assets and liabilities of a dissolved limited liability company are transferred and which exists solely for the purposes of prosecuting and defending suits by or against

3220 the dissolved limited liability company, enabling the dissolved
3221 limited liability company to settle and close the activities and
3222 affairs of the dissolved limited liability company, to dispose
3223 of and convey the property of the dissolved limited liability
3224 company, to discharge the liabilities of the dissolved limited
3225 liability company, and to distribute to the dissolved limited
3226 liability company's members or transferees any remaining assets,
3227 but not for the purpose of continuing the activities and affairs
3228 for which the dissolved limited liability company was organized.

3229 (15) As used in this section or s. 608.712, the term
3230 "circuit court in the applicable county" means the county in
3231 this state in which the limited liability company's principal
3232 office is located or was located at the effective date of
3233 dissolution; or, if it has, and at the effective date of
3234 dissolution had, no principal office in this state, then in the
3235 county in which the limited liability company has or at the
3236 effective date of dissolution had any office in this state; or
3237 if none in this state, then in the county in which the limited
3238 liability company's registered office is or was last located.

3239 (16) As used in this section, the term "known claim" or
3240 "claim" includes unliquidated claims, but does not include a
3241 contingent liability that has not matured so that there is no
3242 immediate right to bring suit or a claim based on an event
3243 occurring after the effective date of dissolution.

3244 608.712 Other claims against dissolved limited liability
3245 company.—

3246 (1) A dissolved limited liability company or successor
3247 entity, as defined in s. 608.7112(14), may choose to execute one
3248 of the following procedures to resolve payment of unknown

3249 claims:

3250 (a) The company or successor entity may file notice of its
3251 dissolution with the Department of State on the form prescribed
3252 by the Department of State and request that persons with claims
3253 against the company which are not known to the company or
3254 successor entity present them in accordance with the notice. The
3255 notice shall:

3256 1. State the name of the company and the date of
3257 dissolution;

3258 2. Describe the information that must be included in a
3259 claim, state the claim must be in writing, and provide a mailing
3260 address to which the claim may be sent; and

3261 3. State that a claim against the company is barred unless
3262 a proceeding to enforce the claim is commenced not later than
3263 four years after the filing of the notice.

3264 (b) The company or successor entity may publish notice of
3265 its dissolution and request persons having claims against the
3266 company to present them in accordance with the notice. The
3267 notice must:

3268 1. Be published in a newspaper of general circulation in
3269 the county in this state in which the dissolved limited
3270 liability company's principal office is located or, if the
3271 principal office is not located in this state, in the county in
3272 which the office of the company's registered agent is or was
3273 last located;

3274 2. Describe the information required to be contained in a
3275 claim, state that the claim must be in writing, and provide a
3276 mailing address to which the claim is to be sent; and

3277 3. State that a claim against the company is barred unless

3278 an action to enforce the claim is commenced not later than four
3279 years after publication of the notice.

3280 (2) If a dissolved limited liability company complies with
3281 either subsection (1)(a) or subsection (1)(b), unless sooner
3282 barred by any other statute limiting actions, the claim of each
3283 of the following claimants is barred unless the claimant
3284 commences an action to enforce the claim against the dissolved
3285 limited liability company not later than four years after the
3286 publication date of the notice:

3287 (a) A claimant that did not receive notice in a record
3288 under s. 608.7112;

3289 (b) A claimant whose claim was timely sent to the
3290 dissolved limited liability company but not acted on; and

3291 (c) A claimant whose claim is contingent at, or based on
3292 an event occurring after, the effective date of dissolution.

3293 (3) A claim that is not barred by this section, s.
3294 608.7112 or any other statute limiting actions, may be enforced:

3295 (a) Against a dissolved limited liability company, to the
3296 extent of its undistributed assets; and

3297 (b) Except as otherwise provided in s. 608.713, if assets
3298 of the limited liability company have been distributed after
3299 dissolution, against a member or transferee to the extent of
3300 that person's proportionate share of the claim or of the
3301 company's assets distributed to the member or transferee after
3302 dissolution, whichever is less, but a person's total liability
3303 for all claims under this subsection may not exceed the total
3304 amount of assets distributed to the person after dissolution.

3305 (4) Nothing in this section shall be deemed to extend any
3306 otherwise applicable statute of limitations.

3307 608.713 Court proceedings.-

3308 (1) A dissolved limited liability company that has filed
3309 or published a notice under subsection 608.712(1)(a) or
3310 608.712(1)(b) may file an application with circuit court in the
3311 applicable county (as defined in s. 608.7112(15), for a
3312 determination of the amount and form of security to be provided
3313 for payment of claims that are contingent, have not been made
3314 known to the company, or are based on an event occurring after
3315 the effective date of dissolution but which, based on the facts
3316 known to the dissolved company, are reasonably expected to arise
3317 after the effective date of dissolution. Security is not
3318 required for any claim that is or is reasonably anticipated to
3319 be barred under s. 608.712(3).

3320 (2) Not later than 10 days after the filing of an
3321 application under subsection (1), the dissolved limited
3322 liability company shall give notice of the proceeding to each
3323 claimant holding a contingent claim known to the company.

3324 (3) In any proceeding under this section, the court may
3325 appoint a guardian ad litem to represent all claimants whose
3326 identities are unknown. The reasonable fees and expenses of the
3327 guardian, including all reasonable expert witness fees, must be
3328 paid by the dissolved limited liability company.

3329 (4) A dissolved limited liability company that provides
3330 security in the amount and form ordered by the court under
3331 subsection (1) satisfies the company's obligations with respect
3332 to claims that are contingent, have not been made known to the
3333 company, or are based on an event occurring after the effective
3334 date of dissolution, and such claims may not be enforced against
3335 a member or transferee that received assets in liquidation.

3336 608.714 Administrative dissolution.-

- 3337 (1) The Department of State may dissolve a limited
3338 liability company administratively if the company does not:
3339 (a) Deliver its annual report to the Department of State
3340 by 5:00 pm Eastern Time on the third Friday in September;
3341 (b) Pay any fee or penalty due to the Department of State
3342 under this chapter;
3343 (c) Appoint and maintain a registered agent as required by
3344 s. 608.113; or
3345 (d) Deliver for filing a statement of a change under s.
3346 608.114 within 30 days after a change has occurred in the name
3347 or address of the agent, unless, within 30 days after the change
3348 occurred, either:
3349 1. The agent filed a statement of change under s. 608.116,
3350 or
3351 2. The change was made accordance with s. 608.114(4).
3352 (2) Administrative dissolution of a limited liability
3353 company for failure to file an annual report shall occur on the
3354 fourth Friday in September of each year. The Department of State
3355 shall issue a notice in a record of administrative dissolution
3356 to the limited liability company dissolved for failure to final
3357 an annual report. Issuance of the notice may be by electronic
3358 transmission to any limited liability company that has provided
3359 the Department of State with an electronic mail address.
3360 (3) If the Department of State determines that one or more
3361 grounds exist for administratively dissolving a limited
3362 liability company under subsections (1)(b)-(d), the Department
3363 of State shall serve notice in a record to the limited liability
3364 company of its intent to administratively dissolve the limited

3365 liability company. Issuance of the notice may be by electronic
3366 transmission to any limited liability company that has provided
3367 the Department of State with an electronic mail address.

3368 (4) If within 60 days after sending the notice of intent
3369 to administratively dissolve pursuant to subsection (3), a
3370 limited liability company does not correct each ground for
3371 dissolution under subsections (1)(b)-(d), or demonstrate to the
3372 reasonable satisfaction of the Department of State that each
3373 ground determined by the Department of State does not exist, the
3374 Department of State shall dissolve the limited liability company
3375 administratively and issue to the limited liability company a
3376 notice in a record of administrative dissolution that states the
3377 grounds for dissolution. Issuance of the notice of
3378 administrative dissolution may be by electronic transmission to
3379 any limited liability company that has provided the Department
3380 of State with an electronic mail address.

3381 (5) A limited liability company that has been
3382 administratively dissolved continues in existence but, subject
3383 to s. 608.715, may carry on only activities necessary to wind up
3384 its activities and affairs and liquidate and distribute its
3385 assets under ss. 608.709 and 608.717 and to notify claimants
3386 under ss. 608.7112 and 608.712.

3387 (6) The administrative dissolution of a limited liability
3388 company does not terminate the authority of its agent for
3389 service of process.

3390 608.715 Reinstatement.-

3391 (1) A limited liability company that is administratively
3392 dissolved under s. 608.714 may apply to the Department of State
3393 for reinstatement at any time after the effective date of

3394 dissolution. The company must submit a form of application for
3395 reinstatement prescribed and furnished by the Department of
3396 State and provide all of the information required by the
3397 Department of State, together with all fees then owed by the
3398 company at the rates provided by law at the time the company
3399 applies for reinstatement.

3400 (2) If the Department of State determines that an
3401 application for reinstatement contains the information required
3402 by subsection (1) and that the information is correct, and upon
3403 payment of all required fees, the Department of State shall
3404 reinstate the limited liability company.

3405 (3) When reinstatement under this section becomes
3406 effective:

3407 (a) The reinstatement relates back to and takes effect as
3408 of the effective date of the administrative dissolution;

3409 (b) The limited liability company may resume its
3410 activities and affairs as if the administrative dissolution had
3411 not occurred; and

3412 (c) The rights of a person arising out of an act or
3413 omission in reliance on the dissolution before the person knew
3414 or had notice of the reinstatement are not affected.

3415 (4) The name of the dissolved limited liability company
3416 shall not be available for assumption or use by another limited
3417 liability company until one year after the effective date of
3418 dissolution unless the dissolved limited liability company
3419 provides the Department of State with an affidavit executed as
3420 required by s. 608.203 permitting the immediate assumption or
3421 use of the name by another limited liability company.

3422 608.716 Judicial review of denial of reinstatement.—

3423 (a) If the Department of State denies a limited liability
3424 company's application for reinstatement following administrative
3425 dissolution, the Department of State shall serve the company
3426 with a notice in a record that explains the reason or reasons
3427 for the denial.

3428 (b) Within 30 days after service of a notice of denial of
3429 reinstatement under subsection (1), a limited liability company
3430 may appeal from the denial by petitioning the circuit court to
3431 set aside the dissolution. The petition must be served on the
3432 Department of State and contain a copy of the Department of
3433 State's notice of administrative dissolution, the company's
3434 application for reinstatement, and the Department of State's
3435 notice of denial.

3436 (c) The court may order the Department of State to
3437 reinstate a dissolved limited liability company or take other
3438 action the court considers appropriate.

3439 608.717 Effect of dissolution.—

3440 (1) Dissolution of a limited liability company does not:

3441 (a) Transfer title to the limited liability company's
3442 assets.

3443 (b) Prevent commencement of a proceeding by or against the
3444 limited liability company in its name.

3445 (c) Abate or suspend a proceeding pending by or against
3446 the limited liability company on the effective date of
3447 dissolution.

3448 (d) Terminate the authority of the registered agent of the
3449 limited liability company.

3450 (2) Except as provided in s. 608.715(4), the name of the
3451 dissolved limited liability company shall not be available for

3452 assumption or use by another limited liability company until 120
3453 days after the effective date of dissolution, or filing of a
3454 statement of termination, if earlier.

3455 608.801 Direct action by member.—

3456 (1) Subject to subsection (2), a member may maintain a
3457 direct action against another member, a manager, or the limited
3458 liability company to enforce the member's rights and otherwise
3459 protect the member's interests, including rights and interests
3460 under the operating agreement or this chapter or arising
3461 independently of the membership relationship.

3462 (2) A member maintaining a direct action under this
3463 section must plead and prove an actual or threatened injury that
3464 is not solely the result of an injury suffered or threatened to
3465 be suffered by the limited liability company.

3466 608.802 Derivative action.—A member may maintain a
3467 derivative action to enforce a right of a limited liability
3468 company if:

3469 (1) The member first makes a demand on the other members
3470 in a member-managed limited liability company, or the managers
3471 of a manager-managed limited liability company, requesting that
3472 they cause the company to take suitable action to enforce the
3473 right, and the managers or other members do not take such action
3474 within a reasonable time, not to exceed 90 days; or

3475 (2) A demand under subsection (1) would be futile, or
3476 irreparable injury would result to the company by waiting for
3477 the other members or the managers to take action to enforce the
3478 right in accordance with subsection (1).

3479 608.803 Proper plaintiff.—A derivative action to enforce a
3480 right of a limited liability company may be maintained only by a

3481 person that is a member at the time the action is commenced and:

3482 (1) Was a member when the conduct giving rise to the

3483 action occurred; or

3484 (2) Whose status as a member devolved on the person by
3485 operation of law or pursuant to the terms of the operating
3486 agreement from a person that was a member at the time of the
3487 conduct.

3488 608.804 Special litigation committee.—

3489 (1) If a limited liability company is named as or made a
3490 party in a derivative action, the company may appoint a special
3491 litigation committee to investigate the claims asserted in the
3492 derivative action and determine whether pursuing the action is
3493 in the best interests of the company. If the company appoints a
3494 special litigation committee, on motion, except for good cause
3495 shown, the court may stay any derivative action for the time
3496 reasonably necessary to permit the committee to make its
3497 investigation. This subsection does not prevent the court from:

3498 (a) Enforcing a person's rights under the company's
3499 operating agreement or this chapter, including the person's
3500 rights to information under s. 608.4105; or,

3501 (b) Exercising any of its equitable or other powers,
3502 including granting extraordinary relief in the form of a
3503 temporary restraining order or preliminary injunction.

3504 (2) A special litigation committee must be composed of one
3505 or more disinterested and independent individuals, who may be
3506 members.

3507 (3) A special litigation committee may be appointed:

3508 (a) In a member-managed limited liability company by the
3509 consent of the members who are (i) not named as parties in the

3510 derivative action, (ii) are otherwise disinterested and
3511 independent, and (iii) hold a majority of the current percentage
3512 or other interest in the profits of the company owned by all of
3513 all members of the company who are not named as parties in the
3514 derivative action and who are otherwise disinterested and
3515 independent;

3516 (b) In a manager-managed limited liability company, by a
3517 majority of the managers not named as parties in the derivative
3518 action and who are otherwise disinterested and independent; or

3519 (c) A panel of one or more disinterested and independent
3520 persons appointed by the court upon motion by the limited
3521 liability company.

3522 (4) After appropriate investigation, a special litigation
3523 committee shall determine what action is in the best interest of
3524 the limited liability company, including continuing, dismissing
3525 or settling the derivative action, or taking any other action as
3526 the special litigation committee deems appropriate.

3527 (5) After making a determination under subsection (4), a
3528 special litigation committee shall file or cause to be filed
3529 with the court a statement of its determination and its report
3530 supporting its determination, and shall serve each party to the
3531 derivative action with a copy of the determination and report.
3532 Upon motion to enforce the determination of the special
3533 litigation committee, the court shall determine whether the
3534 members of the committee were disinterested and independent and
3535 whether the committee conducted its investigation and made its
3536 recommendation in good faith, independently, and with reasonable
3537 care, with the committee having the burden of proof. If the
3538 court finds that the members of the committee were disinterested

3539 and independent and that the committee acted in good faith,
3540 independently, and with reasonable care, the court may enforce
3541 the determination of the committee. Otherwise, the court shall
3542 dissolve any stay of derivative action entered under subsection
3543 (1) and allow the derivative action to continue under the
3544 control of the plaintiff.

3545 608.805 Proceeds and expenses.—

3546 (1) Except as otherwise provided in subsection (2):

3547 (a) Any proceeds or other benefits of a derivative action
3548 under s. 608.802, whether by judgment, compromise, or
3549 settlement, belong to the limited liability company and not to
3550 the plaintiff; and

3551 (b) If the plaintiff receives any proceeds, the plaintiff
3552 shall remit them immediately to the company.

3553 (2) If a derivative action under s. 608.802 is successful
3554 in whole or in part, the court may award the plaintiff
3555 reasonable expenses, including reasonable attorney's fees and
3556 costs, from the recovery of the limited liability company.

3557 608.806 Voluntary dismissal or settlement; notice.—

3558 (1) A derivative action on behalf of a limited liability
3559 company may not be voluntarily dismissed or settled without the
3560 court's approval.

3561 (2) If the court determines that a proposed voluntary
3562 dismissal or settlement will substantially affect the interest
3563 of the limited liability company's members or a class, series,
3564 or voting group of members, the court shall direct that notice
3565 be given to the members affected. The court may determine which
3566 party or parties to the derivative action shall bear the expense
3567 of giving the notice.

3568 608.901 Governing law.-

3569 (1) The law of the state or other jurisdiction under which
3570 a foreign limited liability company exists governs:

3571 (a) The organization and internal affairs of the company;
3572 and

3573 (b) The liability of a member as member and a manager as
3574 manager for the debts, obligations, or other liabilities of the
3575 company.

3576 (2) A foreign limited liability company may not be denied
3577 a certificate of authority by reason of any difference between
3578 its jurisdiction of formation and the law of this state.

3579 (3) A certificate of authority does not authorize a
3580 foreign limited liability company to engage in any business or
3581 exercise any power that a limited liability company may not
3582 engage in or exercise in this state.

3583 608.902 Application for certificate of authority.-

3584 (1) A foreign limited liability company may not transact
3585 business in this state until it obtains a certificate of
3586 authority from the Department of State. A foreign limited
3587 liability company may apply for a certificate of authority to
3588 transact business in this state by delivering an application to
3589 the Department of State for filing. Such application shall be
3590 made on forms prescribed by the Department of State. The
3591 application must contain:

3592 (a) The name of the company and, if the name does not
3593 comply with s. 608.112, an alternate name adopted pursuant to s.
3594 608.905(1);

3595 (b) The name of the company's jurisdiction of formation;
3596 (c) The principal office and mailing addresses of the

3597 company;

3598 (d) The name and street address in this state of, and
3599 written acceptance by, the company's initial registered agent
3600 in this state;

3601 (e) The name, title or capacity, and address of at least
3602 one person who has the authority to manage the company; and

3603 (f) Any such additional information as may be necessary or
3604 appropriate in order to enable the Department of State to
3605 determine whether the company is entitled to file an application
3606 for a certificate of authority to transact business in this
3607 state and to determine and assess the fees as prescribed in this
3608 chapter.

3609 (2) A foreign limited liability company shall deliver with
3610 a completed application under subsection (1) a certificate of
3611 existence or a record of similar import signed by the secretary
3612 of state or other official having custody of the foreign limited
3613 liability company's publicly filed records in its jurisdiction
3614 of formation, dated not more than 90 days prior to the delivery
3615 of the application to the Department of State.

3616 (3) For purposes of complying with the requirements of
3617 this chapter, the Department of State may require each
3618 individual series or cell of a foreign series limited liability
3619 company that transacts business in this state to make a separate
3620 application for certificate of authority, and to make such other
3621 filings as may be required for purposes of complying with the
3622 requirements of this chapter as if each such series or cell were
3623 a separate foreign limited liability company.

3624 608.903 Activities not constituting transacting business.-

3625 (1) The following activities, among others, do not

3626 constitute transacting business within the meaning of s.

3627 608.902(1):

3628 (a) Maintaining, defending, or settling any proceeding.

3629 (b) Holding meetings of the managers or members or
3630 carrying on other activities concerning internal company
3631 affairs.

3632 (c) Maintaining bank accounts.

3633 (d) Maintaining managers or agencies for the transfer,
3634 exchange, and registration of the foreign limited liability
3635 company's own securities or maintaining trustees or depositaries
3636 with respect to those securities.

3637 (e) Selling through independent contractors.

3638 (f) Soliciting or obtaining orders, whether by mail or
3639 through employees, agents or otherwise, if the orders require
3640 acceptance outside this state before they become contracts.

3641 (g) Creating or acquiring indebtedness, mortgages, and
3642 security interests in real or personal property.

3643 (h) Securing or collecting debts or enforcing mortgages
3644 and security interests in property securing the debts.

3645 (i) Transacting business in interstate commerce.

3646 (j) Conducting an isolated transaction that is completed
3647 within 30 days and that is not one in the course of repeated
3648 transactions of a like nature.

3649 (k) Owning and controlling a subsidiary corporation
3650 incorporated, or limited liability company formed, in or
3651 transacting business within this state or voting the stock of
3652 any corporation which it has lawfully acquired.

3653 (l) Owning a limited partner interest in a limited
3654 partnership that is transacting business within this state,

3655 unless such limited partner manages or controls the partnership
3656 or exercises the powers and duties of a general partner.

3657 (m) Owning, without more, real or personal property.

3658 (2) The list of activities in subsection (1) is not
3659 exhaustive.

3660 (3) The ownership in this state of income-producing real
3661 property or tangible personal property, other than property
3662 excluded under subsection (1), constitutes transacting business
3663 in this state for purposes of s. 608.902(1).

3664 (4) This section does not apply in determining the
3665 contacts or activities that may subject a foreign limited
3666 liability company to service of process, taxation, or regulation
3667 under the law of this state other than this chapter.

3668 608.904 Application for certificate of authority.-

3669 (1) Unless the Department of State determines that an
3670 application for a certificate of authority of a foreign limited
3671 liability company to transact business in this state does not
3672 comply with the filing requirements of this chapter, the
3673 Department of State shall, upon payment of all filing fees,
3674 authorize the foreign limited liability company to transact
3675 business in this state and file the application for a
3676 certificate of authority.

3677 (2) The filing by the Department of State of an
3678 application for a certificate of authority authorizes the
3679 foreign limited liability company to which it is issued to
3680 transact business in this state subject, however, to the right
3681 of the Department of State to suspend or revoke the certificate
3682 of authority as provided in this chapter.

3683 608.905 Noncomplying name of foreign limited liability

3684 company.-

3685 (1) A foreign limited liability company whose name is
3686 unavailable under or does not otherwise comply with s. 608.112
3687 may use an alternate name that complies with s. 608.112 to
3688 transact business in this state. Any alternate name adopted for
3689 use in this state shall be cross-referenced to the actual name
3690 of the foreign limited liability company in the records of the
3691 Department of State. If the actual name of the foreign limited
3692 liability company subsequently becomes available in this state
3693 or the company chooses to change its alternate name, a copy of
3694 the record approving the change by its members, managers or
3695 other persons having the authority to do so, and executed as
3696 required by s. 608.203, shall be delivered to the Department of
3697 State for filing.

3698 (2) A foreign limited liability company that adopts an
3699 alternate name under subsection (1) and obtains a certificate of
3700 authority with the alternate name need not comply with s. 865.09
3701 (fictitious name registration).

3702 (3) After obtaining a certificate of authority with an
3703 alternate name, a foreign limited liability company shall
3704 transact business in this state under the alternate name unless
3705 the company is authorized under s. 865.09 to transact business
3706 in this state under another name.

3707 (4) If a foreign limited liability company authorized to
3708 transact business in this state changes its name to one that
3709 does not comply with s. 608.112, it may not thereafter transact
3710 business in this state until it complies with subsection (1) and
3711 obtains an amended certificate of authority.

3712 608.906 Amendment to certificate of authority.-

3713 (1) A foreign limited liability company authorized to
3714 transact business in this state shall deliver for filing an
3715 amendment to its certificate of authority to reflect the change
3716 of:

3717 (a) Its name on the records of the Department of State;
3718 (b) Its jurisdiction of formation;
3719 (c) The principal office and mailing addresses of the
3720 company unless the change was made in a timely filed annual
3721 report;
3722 (d) The name and street address in this state of the
3723 company's registered agent in this state, unless the change was
3724 timely made in accordance with ss. 608.114 or 608.116; or
3725 (e) Any person identified in accordance with s.
3726 608.902(1)(e), or a change in the title or capacity, or address
3727 of that person.

3728 (2) Such application shall be made within 30 days after
3729 the occurrence of any change mentioned in subsection (1), must
3730 be signed by an authorized representative of the foreign limited
3731 liability company, and shall set forth:

3732 (a) The name of the foreign limited liability company as
3733 it appears on the records of the Department of State;
3734 (b) Its jurisdiction of formation;
3735 (c) The date the foreign limited liability company was
3736 authorized to transact business this state;
3737 (d) If the name of the foreign limited liability company
3738 has been changed, the name relinquished and its new name; and
3739 (e) If the amendment changes the jurisdiction of formation
3740 of the foreign limited liability company, a statement of such
3741 change.

3742 (3) Subject to subsection (4), a foreign limited liability
3743 company authorized to do business in this state may make
3744 application to the Department of State to obtain an amended
3745 certificate of authority to add, remove or change the name,
3746 title or capacity, or address of any person who has the
3747 authority to manage the foreign limited liability company.

3748 (4) The requirements of s. 608.902(2) for obtaining an
3749 original certificate of authority apply to obtaining an amended
3750 certificate under this section, unless the secretary of state or
3751 other official having custody of the foreign limited liability
3752 company's publicly filed records in its jurisdiction of
3753 formation did not require an amendment to effectuate the change
3754 on its records.

3755 608.907 Revocation of certificate of authority.-

3756 (1) A certificate of authority of a foreign limited
3757 liability company to transact business in this state may be
3758 revoked by the Department of State if:

3759 (a) The company did not deliver its annual report to the
3760 Department of State by 5:00 pm Eastern Time on the third Friday
3761 in September;

3762 (b) The company did not pay any fee or penalty due to the
3763 Department of State under this chapter;

3764 (c) The company did not appoint and maintain an agent for
3765 service of process as required by s. 608.113;

3766 (d) The company did not deliver for filing a statement of
3767 a change under s. 608.114 within 30 days after a change has
3768 occurred in the name or address of the agent, unless, within 30
3769 days after the change occurred, either:

3770 1. The agent filed a statement of change under s. 608.116,

3771 or

3772 2. The change was made in accordance with s. 608.114(4) or
3773 s. 608.906(1)(d);

3774 (e) The company failed to amend its certificate of
3775 authority to reflect a change in its name on the records of the
3776 Department of State or its jurisdiction of formation;

3777 (f) The Department of State receives a duly authenticated
3778 certificate from the official having custody of records in the
3779 company's jurisdiction of formation stating that it has been
3780 dissolved or is no longer active on its records;

3781 (g) The company's period of duration has expired;

3782 (h) A member, manager, or agent of the company signed a
3783 document the member, manager, or agent knew was false in any
3784 material respect with intent that the document be delivered to
3785 the Department of State for filing; or

3786 (i) The company has failed to answer truthfully and fully,
3787 within the time prescribed in s. 608.1104, interrogatories
3788 propounded by the Department of State.

3789 (2) Revocation of a foreign limited liability company's
3790 certificate of authority for failure to file an annual report
3791 shall occur on the fourth Friday in September of each year. The
3792 Department of State shall issue a notice in a record of the
3793 revocation to the revoked foreign limited liability company.
3794 Issuance of the notice may be by electronic transmission to any
3795 foreign limited liability company that has provided the
3796 Department with an electronic mail address.

3797 (3) If the Department of State determines that one or more
3798 grounds exist under subsections (1)(b)-(i) for revoking a
3799 foreign limited liability company's certificate of authority,

3800 the Department of State shall issue a notice in a record to the
3801 foreign limited liability company of the Department of State's
3802 intent to revoke the certificate of authority. Issuance of the
3803 notice may be by electronic transmission to any foreign limited
3804 liability company that has provided the Department of State with
3805 an electronic mail address.

3806 (4) If within 60 days after the Department of State sent
3807 the notice of intent to revoke in accordance with subsection
3808 (3), the foreign limited liability company does not correct each
3809 ground for revocation under ss. 608.907(1)(b)-(f), or
3810 demonstrate to the reasonable satisfaction of the Department of
3811 State that each ground determined by the Department of State
3812 does not exist, the Department of State shall revoke the foreign
3813 limited liability company's authority to transact business in
3814 this state and issue a notice in a record of revocation that
3815 states the grounds for revocation. Issuance of the notice may be
3816 by electronic transmission to any foreign limited liability
3817 company that has provided the Department of State with an
3818 electronic mail address.

3819 608.908 Cancellation of certificate of authority.—To
3820 cancel its certificate of authority to transact business in this
3821 state, a foreign limited liability company must deliver to the
3822 Department of State for filing a notice of withdrawal of
3823 certificate of authority. The certificate is canceled when the
3824 notice becomes effective under s. 608.207. The notice of
3825 withdrawal of certificate of authority shall be signed by an
3826 authorized representative and state the following:

3827 (1) The name of the company as it appears on the records
3828 of the Department of State;

3829 (2) The name of the company's jurisdiction of formation;
3830 (3) The date the company was authorized to transact
3831 business in this state; and
3832 (4) The company is withdrawing its certificate of
3833 authority in this state.

3834 608.909 Effect of failure to have certificate of
3835 authority.—

3836 (1) A foreign limited liability company transacting
3837 business in this state or its successors may not maintain an
3838 action or proceeding in this state unless it has a certificate
3839 of authority to transact business in this state.

3840 (2) The successor to a foreign limited liability company
3841 that transacted business in this state without a certificate of
3842 authority and the assignee of a cause of action arising out of
3843 that business may not maintain a proceeding based on that cause
3844 of action in any court in this state until the foreign limited
3845 liability company or its successor obtains a certificate of
3846 authority.

3847 (3) A court may stay a proceeding commenced by a foreign
3848 limited liability company or its successor or assignee until it
3849 determines whether the foreign limited liability company or its
3850 successor requires a certificate of authority. If it so
3851 determines, the court may further stay the proceeding until the
3852 foreign limited liability company or its successor obtains the
3853 certificate.

3854 (4) The failure of a foreign limited liability company to
3855 have a certificate of authority to transact business in this
3856 state does not impair the validity of a contract or act of the
3857 company or prevent the foreign limited liability company from

3858 defending an action or proceeding in this state.

3859 (5) A member or manager of a foreign limited liability
3860 company is not liable for the debts, obligations, or other
3861 liabilities of the foreign limited liability company solely
3862 because the foreign limited liability company transacted
3863 business in this state without a certificate of authority.

3864 (6) If a foreign limited liability company transacts
3865 business in this state without a certificate of authority or
3866 cancels its certificate of authority, it appoints the Department
3867 of State as its agent for service of process for rights of
3868 action arising out of the transaction of business in this state.

3869 (7) A foreign limited liability company which transacts
3870 business in this state without authority to do so shall be
3871 liable to this state for the years or parts thereof during which
3872 it transacted business in this state without authority in an
3873 amount equal to all fees or penalties which would have been
3874 imposed by this chapter upon the foreign limited liability
3875 company had it duly applied for and received authority to
3876 transact business in this state as required by this chapter. In
3877 addition to the payments thus prescribed, the foreign limited
3878 liability company shall be liable for a civil penalty of not
3879 less than \$500 or more than \$1,000 for each year or part thereof
3880 during which it transacts business in this state without a
3881 certificate of authority. The Department of State may collect
3882 all penalties due under this subsection.

3883 608.910 Reinstatement following revocation of certificate
3884 of authority.-

3885 (1) A foreign limited liability company whose certificate
3886 of authority has been revoked may apply to the Department of

3887 State for reinstatement at any time after the effective date of
3888 the revocation. The foreign limited liability company applying
3889 for reinstatement must provide information in a form prescribed
3890 and furnished by the Department of State, and pay all fees then
3891 owed by the foreign limited liability company at a rate provided
3892 by law at the time the company applies for reinstatement.

3893 (2) If the Department of State determines that an
3894 application for reinstatement contains the information required
3895 by subsection (1) and that the information is correct, and upon
3896 payment of all required fees, the Department of State shall
3897 reinstate the foreign limited liability company's certificate of
3898 authority.

3899 (3) When a reinstatement becomes effective, it relates
3900 back to and takes effect as of the effective date of the
3901 revocation of authority and the foreign limited liability
3902 company may resume its activities in this state as if the
3903 revocation of authority had not occurred.

3904 (4) The name of the foreign limited liability company the
3905 certificate of authority of which has been revoked is not
3906 available for assumption or use by another business entity until
3907 one year after the effective date of revocation of authority
3908 unless the limited liability company provides the Department of
3909 State with an affidavit executed as required by s. 608.203
3910 permitting the immediate assumption or use of its name by
3911 another limited liability company.

3912 (5) If the name of the foreign limited liability company
3913 applying for reinstatement has been lawfully assumed in this
3914 state by another business entity, the Department of State shall
3915 require the foreign limited liability company to comply with s.

3916 608.112 before accepting its application for reinstatement.

3917 608.911 Action by department of legal affairs.—The
3918 Department of Legal Affairs may maintain an action to enjoin a
3919 foreign limited liability company from transacting business in
3920 this state in violation of this chapter.

3921 608.1001. Relationship of the provisions of ss. 608.1001-
3922 608.1072 to other laws.—

3923 (1) The provisions of ss. 608.1001-608.1071 do not
3924 authorize an act prohibited by, and do not affect the
3925 application or requirements of, law other than the provisions of
3926 ss. 608.1001-608.1072.

3927 (2) A transaction effected under the provisions of ss.
3928 608.1001-608.1072 may not create or impair any right or
3929 obligation on the part of a person under a provision of the law
3930 of this state (other than the provisions of ss. 608.1001-
3931 608.1072) relating to a change in control, takeover, business
3932 combination, control-share acquisition, or similar transaction
3933 involving a merging, acquired, or converting, domestic business
3934 corporation unless:

3935 (a) If the corporation does not survive the transaction,
3936 the transaction satisfies any requirements of the provision; or

3937 (b) If the corporation survives the transaction, the
3938 approval of the plan is by a vote of the shareholders or
3939 directors which would be sufficient to create or impair the
3940 right or obligation directly under the provision.

3941 608.1002 Charitable and donative provisions.—

3942 (1) Property held for a charitable purpose under the law
3943 of this state by a domestic or foreign entity immediately before
3944 a transaction under this chapter becomes effective may not, as a

3945 result of the transaction, be diverted from the objects for
3946 which it was donated, granted, devised, or otherwise transferred
3947 unless, to the extent required by or pursuant to the law of this
3948 state concerning cy pres or other law dealing with nondiversion
3949 of charitable assets, the entity obtains an appropriate order of
3950 the appropriate court specifying the disposition of the
3951 property.

3952 (2) A bequest, devise, gift, grant, or promise contained
3953 in a will or other instrument of donation, subscription, or
3954 conveyance that is made to a merging entity that is not the
3955 surviving entity and that takes effect or remains payable after
3956 the merger inures to the surviving entity. A trust obligation
3957 that would govern property if transferred to the nonsurviving
3958 entity applies to property that is transferred to the surviving
3959 entity under this section.

3960 608.1003 Status of filings.—A filing under the provisions
3961 of ss. 608.1001-608.1072 signed by a domestic entity becomes
3962 part of the public organic record of the entity if the entity's
3963 organic law provides that similar filings under that law become
3964 part of the public organic record of the entity.

3965 608.1004 Nonexclusivity.—The fact that a transaction under
3966 the provisions of ss. 608.1001-608.1072 produces a certain
3967 result does not preclude the same result from being accomplished
3968 in any other manner permitted by a law other than the provisions
3969 of ss. 608.1001-608.1072.

3970 608.1005 Reference to external facts.—A plan may refer to
3971 facts ascertainable outside the plan if the manner in which the
3972 facts will operate upon the plan is specified in the plan. The
3973 facts may include the occurrence of an event or a determination

3974 or action by a person, whether or not the event, determination,
3975 or action is within the control of a party to the transaction.

3976 608.1006 Appraisal rights.-

3977 (1) A member of a limited liability company is entitled to
3978 appraisal rights, and to obtain payment of the fair value of
3979 that member's membership interest, in the following events:

3980 (a) Consummation of a merger of such limited liability
3981 company pursuant to this chapter where the member possessed the
3982 right to vote upon the merger;

3983 (b) Consummation of a conversion of such limited liability
3984 company pursuant to this chapter where the member possessed the
3985 right to vote upon the conversion;

3986 (c) Consummation of an interest exchange pursuant to this
3987 chapter where the member possessed the right to vote upon the
3988 interest exchange, except that appraisal rights shall not be
3989 available to any interest holder of the limited liability
3990 company whose interest in the limited liability company is not
3991 subject to exchange in the interest exchange;

3992 (d) Consummation of a sale of substantially all of the
3993 assets of a limited liability company where the member possessed
3994 the right to vote upon the sale, unless the sale is pursuant to
3995 court order or the sale is for cash pursuant to a plan under
3996 which all or substantially all of the net proceeds of the sale
3997 will be distributed to the interest holders within one year
3998 after the date of sale;

3999 (e) An amendment to the organic rules of the entity that
4000 reduces the interest of the holder to a fraction of an interest
4001 if the limited liability company will be obligated to or will
4002 have the right to repurchase the fractional interest so created;

4003 (f) An amendment to the organic rules of an entity, the
4004 effect of which is to alter or abolish voting or other rights
4005 with respect to such interest in a manner that is adverse to the
4006 interest of such member (except as such right may be affected by
4007 the voting or other rights of new interests then being
4008 authorized of any new class or series of interests);

4009 (g) An amendment to the organic rules of an entity the
4010 effect of which is to adversely affect the interest of such
4011 member by altering or abolishing appraisal rights under this
4012 section; and

4013 (h) To the extent otherwise expressly authorized by the
4014 organic rules of the limited liability company.

4015 (2) A limited liability company may modify, restrict, or
4016 eliminate the appraisal rights provided in this section in its
4017 organic rules so long as the provision modifying, restricting or
4018 eliminating such appraisal rights is authorized by each member
4019 whose appraisal rights are being modified, restricted or
4020 eliminated. Organic rules containing an express waiver of
4021 appraisal rights that are approved by a member shall constitute
4022 a waiver of appraisal rights with respect to such member to the
4023 extent set forth in such organic rules.

4024 (3) To the extent that appraisal rights are available
4025 hereunder, ss. 608.1061-608.1072 shall govern the procedures
4026 with respect to such appraisal rights as between the limited
4027 liability company and its members.

4028 (4) Notwithstanding subsection (1), the availability of
4029 appraisal rights shall be limited in accordance with the
4030 following provisions:

4031 (a) Appraisal rights shall not be available for holders of

4032 any membership interests that are:

4033 1. A covered security under section 18(b)(1)(A) or (B) of
4034 the Securities Act of 1933, as amended;

4035 2. Traded in an organized market and part of a class or
4036 series that has at least 2,000 members or other holders and a
4037 market value of at least \$20 million (exclusive of the value of
4038 such class or series of membership interests held by the limited
4039 liability company's subsidiaries, senior executives, managers
4040 and beneficial members owning more than 10 percent of such class
4041 or series of membership interests); or

4042 3. Issued by an open end management investment company
4043 registered with the Securities and Exchange Commission under the
4044 Investment Company Act of 1940 and subject to being redeemed at
4045 the option of the holder at net asset value.

4046 (b) The applicability of paragraph (a) shall be determined
4047 as of the date fixed to determine the members entitled to
4048 receive notice of, and to vote upon, the appraisal event, or the
4049 day before the effective date of such appraisal event if there
4050 is no meeting of the members to vote upon the appraisal event.

4051 (c) Subsection (4) shall not apply, and appraisal rights
4052 shall be available pursuant to subsection (1), for any members
4053 who are required by the appraisal event to accept for their
4054 membership interests anything other than cash or a proprietary
4055 interest in an entity that satisfies the standards set forth in
4056 paragraph (a) at the time the appraisal event becomes effective.

4057 (d) Subsection (4) shall not apply, and appraisal rights
4058 shall be available pursuant to subsection (1), for the holder of
4059 a membership interest if:

4060 1. Any of the member(s) interests in the limited liability

4061 company or the limited liability company's assets are being
4062 acquired or converted, whether by merger, conversion, or
4063 otherwise, pursuant to the appraisal event by a person, or by an
4064 affiliate of a person, who:

4065 a. Is, or at any time in the one-year period immediately preceding approval of the appraisal event was, the beneficial owner of 20 percent or more of those interests in the limited liability company entitled to vote on the appraisal event, excluding any such interests acquired pursuant to an offer for all interests having such voting rights if such offer was made within one year prior to the appraisal event for consideration of the same kind and of a value equal to or less than that paid in connection with the appraisal event; or

4074 b. Directly or indirectly has, or at any time in the one-year period immediately preceding approval of the appraisal event had, the power, contractually or otherwise, to cause the appointment or election of any senior executives, or managers of the limited liability company.

4079 2. Any of the members' interests in the limited liability company or the limited liability company's assets are being
4080 acquired or converted, whether by merger, conversion, or
4081 otherwise, pursuant to the appraisal event by a person, or by an
4082 affiliate of a person, who is, or at any time in the one-year period immediately preceding approval of the appraisal event was, a senior executive of the limited liability company or a senior executive of any affiliate of the limited liability company, and that senior executive will receive, as a result of the limited liability company action, a financial benefit not generally available to members, other than:

4090 a. Employment, consulting, retirement, or similar benefits
4091 established separately and not as part of or in contemplation of
4092 the appraisal event;

4093 b. Employment, consulting, retirement, or similar benefits
4094 established in contemplation of, or as part of, the appraisal
4095 event that are not more favorable than those existing before the
4096 appraisal event or, if more favorable, that have been approved
4097 by the limited liability company; or

4098 c. In the case of a manager of the limited liability
4099 company who will, during or as the result of the appraisal
4100 event, become a manager, general partner, or director of the
4101 surviving or converted entity or one of its affiliates, those
4102 rights and benefits as a manager, general partner, or director
4103 that are provided on the same basis as those afforded by the
4104 surviving or converted entity generally to other managers,
4105 general partners, or directors of the surviving or converted
4106 entity or its affiliate.

4107 (e) For the purposes of subparagraph(d)1.a. of subsection
4108 (4) only, the term "beneficial owner" means any person who,
4109 directly or indirectly, through any contract, arrangement, or
4110 understanding, other than a revocable proxy, has or shares the
4111 right to vote, or to direct the voting of, an interest in a
4112 limited liability company with respect to approval of the
4113 appraisal event, provided a member of a national securities
4114 exchange shall not be deemed to be a beneficial owner of an
4115 interest in a limited liability company held directly or
4116 indirectly by it on behalf of another person solely because such
4117 member is the record holder of interests in the limited
4118 liability company if the member is precluded by the rules of

4119 such exchange from voting without instruction on contested
4120 matters or matters that may affect substantially the rights or
4121 privileges of the holders of the interests in the limited
4122 liability company to be voted. When two or more persons agree to
4123 act together for the purpose of voting such interests, each
4124 member of the group formed thereby shall be deemed to have
4125 acquired beneficial ownership, as of the date of such agreement,
4126 of all voting interests in the limited liability company
4127 beneficially owned by any member of the group.

4128 608.1021 Merger authorized.—

4129 (1) By complying with the provisions of ss. 608.1021-

4130 608.1026:

4131 (a) one or more domestic limited liability companies
4132 may merge with one or more domestic or foreign entities into a
4133 domestic or foreign surviving entity; and

4134 (b) two or more foreign entities may merge into a
4135 domestic limited liability company.

4136 (2) By complying with the provisions of ss. 608.1021-
4137 608.1026 that are applicable to foreign entities, a foreign
4138 entity may be a party to a merger under the provisions of ss.
4139 608.1021-608.1026 or may be the surviving entity in such a
4140 merger if the merger is authorized by the law of the foreign
4141 entity's jurisdiction of formation.

4142 (3) In the case of a merger involving a limited liability
4143 company which is a not-for-profit company, the surviving limited
4144 liability company or other business entity must also be a not-
4145 for-profit entity.

4146 608.1022 Plan of merger.—

4147 (1) A domestic limited liability company may become a

party to a merger under the provisions of ss. 608.1021-608.1026 by approving a plan of merger. The plan must be in a record and contain:

- (a) As to each merging entity, its name, jurisdiction of formation, and type of entity;
 - (b) The surviving entity in the merger;
 - (c) The manner and basis of converting the interests and the rights to acquire interests in each party to the merger into interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing;
 - (d) If the surviving entity exists before the merger, any proposed amendments to or restatements of its public organic record, or any proposed amendments to or restatements of its private organic rules, that are, or are proposed to be, in a record, and all such amendments or restatements shall be effective at the effective date of the merger;
 - (e) If the surviving entity is to be created in the merger, its proposed public organic record, and the full text of its private organic rules that are proposed to be in a record, if any;
 - (f) The other terms and conditions of the merger; and
 - (g) Any other provision required by the law of a merging entity's jurisdiction of formation or the organic rules of a merging entity.
- (2) In addition to the requirements of subsection (1), a plan of merger may contain any other provision not prohibited by law.

608.1023 Approval of merger.-

4177 (1) A plan of merger is not effective unless it has been
4178 approved:

4179 (a) With respect to a domestic merging limited liability
4180 company, by a majority-in-interest of the members; and

4181 (b) In a record, by each member of a merging limited
4182 liability company that will have interest holder liability for
4183 debts, obligations, and other liabilities that arise after the
4184 merger becomes effective, unless:

4185 1. the organic rules of the company in a record provides
4186 for the approval of a merger in which some or all of its members
4187 become subject to interest holder liability by the vote or
4188 consent of fewer than all of the members; and

4189 2. the member consented in a record to or voted for that
4190 provision of the organic rules or became a member after the
4191 adoption of that provision.

4192 (2) A merger involving a domestic merging entity that is
4193 not a limited liability company is not effective unless the
4194 merger is approved by that entity in accordance with its organic
4195 law.

4196 (3) A merger involving a foreign merging entity is not
4197 effective unless the merger is approved by the foreign entity in
4198 accordance with the law of the foreign entity's jurisdiction of
4199 formation.

4200 (4) All members of each domestic limited liability company
4201 that is a party to the merger who have a right to vote upon the
4202 merger shall be given written notice of any meeting with respect
4203 to the approval of a plan of merger as provided in subsection
4204 (1), not fewer than 10 nor more than 60 days before the date of
4205 the meeting at which the plan of merger shall be submitted for

4206 approval by the members of such limited liability company. The
4207 notification required by this subsection (4) may be waived in
4208 writing by the person or persons entitled to such notification.

4209 (5) The notification required by subsection (4) shall be
4210 in writing and shall include:

4211 (a) The date, time, and place of the meeting at which the
4212 plan of merger is to be submitted for approval by the members of
4213 the limited liability company.

4214 (b) A copy of the plan of merger.

4215 (c) The statement or statements required by the provisions
4216 of s. 608.1006 and ss. 608.1061-608.1072 regarding the
4217 availability of appraisal rights, if any, to members of the
4218 limited liability company.

4219 (d) The date on which such notification was mailed or
4220 delivered to the members.

4221 (e) Any other information concerning the plan of merger.

4222 (6) The notification required by subsection (4) shall be
4223 deemed to be given at the earliest date of:

4224 (a) The date such notification is received;

4225 (b) Five days after the date such notification is
4226 deposited in the United States mail addressed to the member at
4227 the member's address as it appears in the books and records of
4228 the limited liability company, with postage thereon prepaid;

4229 (c) The date shown on the return receipt, if sent by
4230 registered or certified mail, return receipt requested, and the
4231 receipt is signed by or on behalf of the addressee; or

4232 (d) The date such notification is given in accordance with
4233 the provisions of the organic rules of the limited liability
4234 company.

4235 608.1024 Amendment or abandonment of plan of merger.-

4236 (1) A plan of merger may be amended only with the consent
4237 of each party to the plan, except as otherwise provided in the
4238 plan or in the organic rules of each such entity.

4239 (2) A merging limited liability company may approve an
4240 amendment of a plan of merger:

4241 (a) In the same manner as the plan was approved, if the
4242 plan does not provide for the manner in which it may be amended;
4243 or

4244 (b) By the managers or members in the manner provided in
4245 the plan, but a member that was entitled to vote on or consent
4246 to approval of the merger is entitled to vote on or consent to
4247 any amendment of the plan that will change:

4248 1. The amount or kind of interests, securities,
4249 obligations, money, other property, rights to acquire interests
4250 or securities, or any combination of the foregoing, to be
4251 received by the interest holders of any party to the plan;

4252 2. The public organic record, if any, or private organic
4253 rules of the surviving entity that will be in effect immediately
4254 after the merger becomes effective, except for changes that do
4255 not require approval of the interest holders of the surviving
4256 entity under its organic law or organic rules; or

4257 3. Any other terms or conditions of the plan, if the
4258 change would adversely affect the member in any material
4259 respect.

4260 (3) After a plan of merger has been approved and before
4261 the articles of merger become effective, the plan may be
4262 abandoned as provided in the plan. Unless prohibited by the
4263 plan, a domestic merging limited liability company may abandon

4264 the plan in the same manner as the plan was approved.

4265 (4) If a plan of merger is abandoned after articles of
4266 merger have been delivered to the Department of State for filing
4267 and before the articles of merger has become effective, a
4268 statement of abandonment, signed by a party to the plan, must be
4269 delivered to the Department of State for filing before the
4270 articles of merger become effective. The statement of
4271 abandonment takes effect on filing, and the merger is abandoned
4272 and does not become effective. The statement of abandonment
4273 must contain:

4274 (a) The name of each party to the plan of merger;
4275 (b) The date on which the articles of merger were
4276 delivered to the Department of State for filing; and
4277 (c) A statement that the merger has been abandoned in
4278 accordance with this section.

4279 608.1025 Articles of merger.-

4280 (1) After a plan of merger is approved, articles of merger
4281 must be signed by each merging entity and delivered to the
4282 Department of State for filing.

4283 (2) The articles of merger must contain:
4284 (a) The name, jurisdiction of formation, and type of
4285 entity of each merging entity that is not the surviving entity;
4286 (b) The name, jurisdiction of formation, and type of
4287 entity of the surviving entity;
4288 (c) A statement that the merger was approved by each
4289 domestic merging entity that is a limited liability company, if
4290 any, in accordance with the provisions of ss. 608.1021-608.1026,
4291 by each other merging entity, if any, in accordance with the law
4292 of its jurisdiction of formation, and by each member of such

4293 limited liability company who, as a result of the merger, will
4294 have interest holder liability under s. 608.1023(1)(b) and whose
4295 approval is required.

4296 (d) If the surviving entity exists before the merger and
4297 is a domestic filing entity, any amendment to its public organic
4298 record approved as part of the plan of merger;

4299 (e) If the surviving entity is created by the merger and
4300 is a domestic filing entity, its public organic record, as an
4301 attachment;

4302 (f) If the surviving entity is created by the merger and
4303 is a domestic limited liability partnership, its statement of
4304 qualification, as an attachment;

4305 (g) If the surviving entity is a foreign entity that does
4306 not have a certificate of authority to transact business in this
4307 state, a mailing address to which the Department of State may
4308 send any process served on the Department of State pursuant to
4309 s. 608.117 and chapter 48; and

4310 (h) A statement that the surviving entity has agreed to
4311 pay to any members of any limited liability company with
4312 appraisal rights the amount to which such members are entitled
4313 under the provisions of s. 608.1006 and ss. 608.1061-608.1072;
4314 and

4315 (i) The effective date of the merger, if the effective
4316 date of the merger not the same as the date of filing of the
4317 articles of merger, subject to the limitations contained in s.
4318 608.207.

4319 (3) In addition to the requirements of subsection (2),
4320 articles of merger may contain any other provision not
4321 prohibited by law.

4322 (4) A merger becomes effective when the articles of merger
4323 become effective, unless the articles of merger specify an
4324 effective time or a delayed effective date that complies with s.
4325 608.207.

4326 (5) A copy of the articles of merger, certified by the
4327 Department of State, may be filed in the official records of any
4328 county in this state in which any party to the merger holds an
4329 interest in real property.

4330 (6) A limited liability company is not required to deliver
4331 articles of merger for filing pursuant to subsection (1) if the
4332 limited liability company is named as a merging entity or
4333 surviving entity in articles of merger or a certificate of
4334 merger filed for the same merger in accordance with s.
4335 607.1109(1), s. 617.1108, s. 620.2108(3), or s. 620.8918(1) and
4336 (2), and if such articles of merger substantially comply with
4337 the requirements of this section. In such a case, the other
4338 articles of merger or certificate of merger may also be used for
4339 purposes of subsection (2).

4340 608.1026 Effect of merger.

4341 (1) When a merger becomes effective:

4342 (a) The surviving entity continues in existence;

4343 (b) Each merging entity that is not the surviving entity
4344 ceases to exist;

4345 (c) All property of each merging entity vests in the
4346 surviving entity without transfer, reversion or impairment;

4347 (d) All debts, obligations, and other liabilities of each
4348 merging entity are debts, obligations, and other liabilities of
4349 the surviving entity;

4350 (e) Except as otherwise provided by law or the plan of

4351 merger, all the rights, privileges, immunities, powers, and
4352 purposes of each merging entity vest in the surviving entity;
4353 (f) If the surviving entity exists before the merger:
4354 1. all its property continues to be vested in it without
4355 transfer, reversion, or impairment;
4356 2. it remains subject to all of its debts, obligations,
4357 and other liabilities; and
4358 3. all its rights, privileges, immunities, powers, and
4359 purposes continue to be vested in it;
4360 (g) The name of the surviving entity may be substituted
4361 for the name of any merging entity that is a party to any
4362 pending action or proceeding;
4363 (h) If the surviving entity exists before the merger:
4364 1. its public organic record, if any, is amended as
4365 provided in the articles of merger; and
4366 2. its private organic rules that are to be in a record,
4367 if any, are amended to the extent provided in the plan of
4368 merger;
4369 (i) If the surviving entity is created by the merger:
4370 1. its public organic record, if any, is effective; and
4371 2. its private organic rules are effective; and
4372 (j) The interests or rights to acquire interests in each
4373 merging entity which are to be converted in the merger are
4374 converted, and the interest holders of those interests are
4375 entitled only to the rights provided to them under the plan of
4376 merger and to any appraisal rights they have under s. 608.1006
4377 and ss. 608.1061-608.1072 and the merging entity's organic law;
4378 (2) Except as otherwise provided in the organic law or
4379 organic rules of a merging entity:

4380 (a) The merger does not give rise to any rights that an
4381 interest holder, governor, or third party would have upon a
4382 dissolution, liquidation, or winding up of the merging entity;
4383 and

4384 (b) The merging entity shall not be required to wind up
4385 its affairs, pay its liabilities and distribute its assets under
4386 ss. 608.701-608.717, and the merger shall not constitute a
4387 dissolution of the merging entity.

4388 (3) When a merger becomes effective, a person that did not
4389 have interest holder liability with respect to any of the
4390 merging entities and becomes subject to interest holder
4391 liability with respect to a domestic entity as a result of the
4392 merger will have interest holder liability only to the extent
4393 provided by the organic law of that entity and only for those
4394 debts, obligations, and other liabilities that arise after the
4395 merger becomes effective.

4396 (4) When a merger becomes effective, the interest holder
4397 liability of a person that ceases to hold an interest in a
4398 domestic merging entity with respect to which the person had
4399 interest holder liability is as follows:

4400 (a) The merger does not discharge any interest holder
4401 liability under the organic law of the domestic merging entity
4402 to the extent the interest holder liability arose before the
4403 merger became effective.

4404 (b) The person does not have interest holder liability
4405 under the organic law of the domestic merging entity for any
4406 debt, obligation, or other liability that arises after the
4407 merger becomes effective.

4408 (c) The organic law of the domestic merging entity and any

4409 rights of contribution provided under such law, or the organic
4410 rules of the domestic merging entity, continue to apply to the
4411 release, collection, or discharge of any interest holder
4412 liability preserved under subparagraph (a) as if the merger had
4413 not occurred and the surviving entity were the domestic merging
4414 entity.

4415 (5) When a merger becomes effective, a foreign entity that
4416 is the surviving entity may be served with process in this state
4417 for the collection and enforcement of any debts, obligations, or
4418 other liabilities of a domestic merging entity as provided in s.
4419 608.117 and chapter 48.

4420 (6) When a merger becomes effective, the certificate of
4421 authority to transact business in this state of any foreign
4422 merging entity that is not the surviving entity is canceled.

4423 608.1031 Interest exchange authorized.—

4424 (1) By complying with the provisions of ss. 608.1031-
4425 608.1036:

4426 (a) A domestic limited liability company may acquire all
4427 of one or more classes or series of interests of another
4428 domestic or foreign entity (or rights to acquire one or more
4429 classes or series of any such interests) in exchange for
4430 interests, securities, obligations, money, other property,
4431 rights to acquire interests or securities, or any combination of
4432 the foregoing; or

4433 (b) All of one or more classes or series of interests of a
4434 domestic limited liability company (or rights to acquire one or
4435 more classes or series of any such interests) may be acquired by
4436 another domestic or foreign entity in exchange for interests,
4437 securities, obligations, money, other property, rights to

4438 acquire interests or securities, or any combination of the
4439 foregoing.

4440 (2) By complying with the provisions of ss. 608.1031-
4441 608.1036 that are applicable to foreign entities, a foreign
4442 entity may be the acquiring or acquired entity in an interest
4443 exchange completed under the provisions of ss. 608.1031-608.1036
4444 if the interest exchange is authorized by the organic law in the
4445 foreign entity's jurisdiction of formation.

4446 (3) If a protected agreement contains a provision that
4447 applies to a merger of a domestic limited liability company but
4448 does not refer to an interest exchange, the provision applies to
4449 an interest exchange in which the domestic limited liability
4450 company is the acquired entity as if the interest exchange were
4451 a merger until the provision is amended after January 1, 2014.

4452 608.1032 Plan of interest exchange.-

4453 (1) A domestic limited liability company may be the
4454 acquired entity in an interest exchange under the provisions of
4455 ss. 608.1031-608.1036 by approving a plan of interest exchange.
4456 The plan must be in a record and contain:

4457 (a) The name of the acquired entity;

4458 (b) The name, jurisdiction of formation, and type of
4459 entity of the acquiring entity;

4460 (c) The manner and basis of converting the interests and
4461 the rights to acquire interests of the members of each limited
4462 liability company that is to be an acquired entity into
4463 interests, securities, obligations, money, other property,
4464 rights to acquire interests or securities, or any combination of
4465 the foregoing;

4466 (d) If the acquired entity is a domestic limited liability

4467 company, any proposed amendments to or restatements of its
4468 public organic record, or any amendments to or restatements of
4469 its private organic rules that are, or are proposed to be, in a
4470 record, and all such amendments or restatements shall be
4471 effective at the effective date of the interest exchange;

4472 (e) The other terms and conditions of the interest
4473 exchange; and

4474 (f) Any other provision required by the law of an acquired
4475 entity's jurisdiction of formation, the organic rules of the
4476 acquired entity, the organic rules of an acquiring entity or the
4477 law of the jurisdiction of formation of the acquiring entity.

4478 (2) In addition to the requirements of subsection (1), a
4479 plan of interest exchange may contain any other provision not
4480 prohibited by law.

4481 608.1033 Approval of interest exchange.—

4482 (1) A plan of interest exchange is not effective unless it
4483 has been approved:

4484 (a) With respect to a domestic limited liability company
4485 that is the acquired entity in the interest exchange, by a
4486 majority-in-interest of the members of such company; and

4487 (b) In a record, by each member of the domestic acquired
4488 limited liability company that will have interest holder
4489 liability for debts, obligations, and other liabilities that
4490 arise after the interest exchange becomes effective, unless:

4491 1. The organic rules of the company in a record provide
4492 for the approval of an interest exchange or a merger in which
4493 some or all of its members become subject to interest holder
4494 liability by the vote or consent of fewer than all the members;
4495 and

4496 2. The member consented in a record to or voted for that
4497 provision of the organic rules or became a member after the
4498 adoption of that provision.

4499 (2) An interest exchange involving a domestic acquired
4500 entity that is not a limited liability company is not effective
4501 unless it is approved by the domestic entity in accordance with
4502 its organic law.

4503 (3) An interest exchange involving a foreign acquired
4504 entity is not effective unless it is approved by the foreign
4505 entity in accordance with the law of the foreign entity's
4506 jurisdiction of formation.

4507 (4) Except as otherwise provided in its organic law or
4508 organic rules, the interest holders of the acquiring entity are
4509 not required to approve the interest exchange.

4510 (5) All members of each domestic limited liability company
4511 that is a party to the interest exchange and have a right to
4512 vote upon the interest exchange shall be given written notice of
4513 any meeting with respect to the approval of a plan of interest
4514 exchange as provided in subsection (1), not fewer than 10 nor
4515 more than 60 days before the date of the meeting at which the
4516 plan of interest exchange shall be submitted for approval by the
4517 members of such limited liability company. The notification
4518 required by this subsection (5) may be waived in writing by the
4519 person or persons entitled to such notification.

4520 (6) The notification required by subsection (5) shall be
4521 in writing and shall include:

4522 (a) The date, time, and place of the meeting at which the
4523 plan of interest exchange is to be submitted for approval by the
4524 members of the limited liability company.

4525 (b) A copy of the plan of interest exchange.

4526 (c) The statement or statements required by the provisions
4527 of s. 608.1006 and ss. 608.1061-1072 regarding the availability
4528 of appraisal rights, if any, to members of the limited liability
4529 company.

4530 (d) The date on which such notification was mailed or
4531 delivered to the members.

4532 (e) Any other information concerning the plan of interest
4533 exchange.

4534 (7) The notification required by subsection (5) shall be
4535 deemed to be given at the earliest date of:

4536 (a) The date such notification is received;

4537 (b) Five days after the date such notification is
4538 deposited in the United States mail addressed to the member at
4539 the member's address as it appears in the books and records of
4540 the limited liability company, with postage thereon prepaid;

4541 (c) The date shown on the return receipt, if sent by
4542 registered or certified mail, return receipt requested, and the
4543 receipt is signed by or on behalf of the addressee; or

4544 (d) The date such notification is given in accordance with
4545 the provisions of the organic rules of the limited liability
4546 company.

4547 608.1034 Amendment or abandonment of plan of interest
4548 exchange.-

4549 (1) A plan of interest exchange may be amended only with
4550 the consent of each party to the plan, except as otherwise
4551 provided in the plan or in the organic rules of each such
4552 entity.

4553 (2) A domestic acquired limited liability company may

4554 approve an amendment of a plan of interest exchange:

4555 (a) In the same manner as the plan was approved, if the
4556 plan does not provide for the manner in which it may be amended;
4557 or

4558 (b) By the managers or members in the manner provided in
4559 the plan, but a member that was entitled to vote on or consent
4560 to approval of the interest exchange is entitled to vote on or
4561 consent to any amendment of the plan that will change:

4562 1. The amount or kind of interests, securities,
4563 obligations, money, other property, rights to acquire interests
4564 or securities, or any combination of the foregoing, to be
4565 received by the interest holders of any party to the plan;

4566 2. The public organic record, if any, or private organic
4567 rules of the acquired entity that will be in effect immediately
4568 after the interest exchange becomes effective, except for
4569 changes that do not require approval of the interest holders of
4570 the acquired entity under its organic law or organic rules; or

4571 3. Any other terms or conditions of the plan, if the
4572 change would adversely affect the member in any material
4573 respect.

4574 (3) After a plan of interest exchange has been approved
4575 and before the articles of interest exchange become effective,
4576 the plan may be abandoned as provided in the plan. Unless
4577 prohibited by the plan, a domestic limited liability company may
4578 abandon the plan in the same manner as the plan was approved.

4579 (4) If a plan of interest exchange is abandoned after
4580 articles of interest exchange have been delivered to the
4581 Department of State for filing and before the articles of
4582 interest exchange have become effective, a statement of

4583 abandonment, signed by a party to the plan, must be delivered to
4584 the Department of State for filing before the articles of
4585 interest exchange become effective. The statement of
4586 abandonment takes effect on filing, and the interest exchange is
4587 abandoned and does not become effective. The statement of
4588 abandonment must contain:

4589 (a) The name of each party to the plan of interest
4590 exchange;

4591 (b) The date on which the articles of interest exchange
4592 were delivered to the Department of State for filing; and
4593 (c) A statement that the interest exchange has been
4594 abandoned in accordance with this section.

4595 608.1035 Articles of interest exchange.—

4596 (1) After a plan of interest exchange has been approved,
4597 articles of interest exchange must be signed by each party to
4598 the interest exchange and delivered to the Department of State
4599 for filing.

4600 (2) The articles of interest exchange must contain:

4601 (a) The name of the acquired limited liability company;
4602 (b) The name, jurisdiction of formation, and type of
4603 entity of the acquiring entity;

4604 (c) A statement that the plan of interest exchange was
4605 approved by the acquired limited liability entity in accordance
4606 with the provisions of ss. 608.1031-608.1036 and by each member
4607 of such limited liability company who, as a result of the
4608 interest exchange, will have interest holder liability under s.
4609 608.1033(1)(b) and whose approval is required;

4610 (d) Any amendments to the acquired limited liability
4611 company's public organic record approved as part of the plan of

4612 interest exchange;

4613 (e) A statement that the plan of interest exchange was
4614 approved by each acquiring entity that is a party to the
4615 interest exchange in accordance with the organic laws in its
4616 jurisdiction of formation, or if such approval was not required,
4617 a statement to that effect;

4618 (f) A statement that the acquiring entity has agreed to
4619 pay to any members of the acquired entity with appraisal rights
4620 the amount to which such members are entitled under the
4621 provisions of s. 608.1006 and ss. 608.1061-608.1072; and

4622 (g) The effective date of the interest exchange, if the
4623 effective date of the interest exchange is not the same as the
4624 date of filing of the articles of interest exchange, subject to
4625 the limitations contained in s. 608.207.

4626 (3) In addition to the requirements of subsection (2),
4627 articles of interest exchange may contain any other provision
4628 not prohibited by law.

4629 (4) An interest exchange becomes effective when the
4630 articles of interest exchange become effective, unless the
4631 articles of interest exchange specify an effective time or a
4632 delayed effective date that complies with s. 608.207.

4633 (5) A limited liability company is not required to deliver
4634 articles of interest exchange for filing pursuant to subsection
4635 (1) if the domestic limited liability company is named as an
4636 acquired entity or as an acquiring entity in the articles of
4637 interest exchange filed for the same interest exchange in
4638 accordance with s. 607.1105(1), and if such articles of interest
4639 exchange substantially comply with the requirements of this
4640 section. In such a case, the other articles of interest exchange

4641 may also be used for purposes of subsection (2).

4642 608.1036 Effect of interest exchange.—

4643 (1) When an interest exchange in which the acquired entity
4644 is a domestic limited liability company becomes effective:

4645 (a) The interests in a domestic company that are the
4646 subject of the interest exchange cease to exist or are converted
4647 or exchanged, and the members holding those interests are
4648 entitled only to the rights provided to them under the plan of
4649 interest exchange and to any appraisal rights they have under s.

4650 608.1006 and ss. 608.1061-608.1072;

4651 (b) The acquiring entity becomes the interest holder of
4652 the interests in the acquired entity stated in the plan of
4653 interest exchange to be acquired by the acquiring entity;

4654 (c) The public organic record of the acquired entity is
4655 amended as provided in the articles of interest exchange; and

4656 (d) The provisions of the private organic rules of the
4657 acquired entity that are to be in a record, if any, are amended
4658 to the extent provided in the plan of interest exchange.

4659 (2) Except as otherwise provided in the organic rules of
4660 the acquired limited liability company, the interest exchange
4661 does not give rise to any rights that a member, manager, or
4662 third party would have upon a dissolution, liquidation, or
4663 winding up of the acquired entity.

4664 (3) When an interest exchange becomes effective, a person
4665 that did not have interest holder liability with respect to a
4666 domestic acquired limited liability company and becomes subject
4667 to interest holder liability with respect to a domestic entity
4668 as a result of the interest exchange will have interest holder
4669 liability only to the extent provided by the organic law of the

entity and only for those debts, obligations, and other liabilities that arise after the interest exchange becomes effective.

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

(a) The interest exchange does not discharge any interest 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, shall continue to apply to the release, collection, or discharge of any interest holder liability preserved under subparagraph (a) as if the interest exchange had not occurred.

608.1041 Conversion authorized.—

(1) By complying with the provisions of s. 608.1041-608.1046. 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. 608.1041-

4699 608.1046 that are applicable to domestic entities that are not a
4700 domestic limited liability company, a domestic entity that is
4701 not a domestic limited liability company may become a domestic
4702 limited liability company if the conversion is authorized by the
4703 law governing the domestic entity that is not a domestic limited
4704 liability company.

4705 (3) By complying with the provisions of s. 608.1041-
4706 608.1046 that are applicable to foreign entities, a foreign
4707 entity may become a domestic limited liability company if the
4708 conversion is authorized by the law of the foreign entity's
4709 jurisdiction of formation.

4710 (4) If a protected agreement contains a provision that
4711 applies to a merger of a domestic limited liability company but
4712 does not refer to a conversion, the provision applies to a
4713 conversion of the entity as if the conversion were a merger
4714 until the provision is amended after January 1, 2014.

4715 608.1042 Plan of conversion.-

4716 (1) A domestic limited liability company may convert into
4717 a different type of domestic entity or into a foreign entity
4718 that is a foreign limited liability company or a different type
4719 of foreign entity by approving a plan of conversion. The plan
4720 must be in a record and contain:

4721 (a) The name of the converting limited liability company;
4722 (b) The name, jurisdiction of formation, and type of
4723 entity of the converted entity;

4724 (c) The manner and basis of converting the interests and
4725 rights to acquire interests in the converting limited liability
4726 company into interests, securities, obligations, money, other
4727 property, rights to acquire interests or securities, or any

4728 combination of the foregoing.

4729 (d) The proposed public organic record of the converted
4730 entity if it will be a filing entity;

4731 (e) The full text of the private organic rules of the
4732 converted entity that are proposed to be in a record, if any;

4733 (f) Any other provision required by the law of this state
4734 or the organic rules of the converted limited liability company,
4735 if the entity is to be other than a domestic limited liability
4736 company; and

4737 (g) All other statements required to be set forth in a
4738 plan of conversion by the law of the jurisdiction of formation
4739 of the converted entity following the conversion.

4740 (2) In addition to the requirements of subsection (1), a
4741 plan of conversion may contain any other provision not
4742 prohibited by law.

4743 608.1043 Approval of conversion.-

4744 (1) A plan of conversion is not effective unless it has
4745 been approved:

4746 (a) If the converting entity is a domestic limited
4747 liability company, by a majority-in-interest of the members of
4748 such company who have a right to vote upon the conversion; and

4749 (b) In a record, by each member of a converting limited
4750 liability company that will have interest holder liability for
4751 debts, obligations, and other liabilities that arise after the
4752 conversion becomes effective, unless:

4753 1. the organic rules of the company in a record provide
4754 for the approval of a conversion in which some or all of its
4755 members become subject to interest holder liability by the vote
4756 or consent of fewer than all of the members; and

4757 2. the member consented in a record to or voted for that
4758 provision of the organic rules or became a member after the
4759 adoption of that provision.

4760 (2) A conversion involving a domestic converting entity
4761 that is not a limited liability company is not effective unless
4762 it is approved by the domestic converting entity in accordance
4763 with its organic law.

4764 (3) A conversion of a foreign converting entity is not
4765 effective unless it is approved by the foreign entity in
4766 accordance with the law of the foreign entity's jurisdiction of
4767 formation.

4768 (4) If the converting entity is a domestic limited
4769 liability company, all members of the company who have the right
4770 to vote upon the conversion shall be given written notice of any
4771 meeting with respect to the approval of a plan of conversion as
4772 provided in subsection (1), not fewer than 10 nor more than 60
4773 days before the date of the meeting at which the plan of
4774 conversion shall be submitted for approval by the members of
4775 such limited liability company. The notification required by
4776 this subsection (5) may be waived in writing by the person or
4777 persons entitled to such notification.

4778 (5) The notification required by subsection (4) shall be
4779 in writing and shall include:

4780 (a) The date, time, and place of the meeting at which the
4781 plan of conversion is to be submitted for approval by the
4782 members of the limited liability company.

4783 (b) A copy of the plan of conversion.

4784 (c) The statement or statements required by the provisions
4785 of s. 608.1006 and ss. 608.1061-608.1072 regarding the

4786 availability of appraisal rights, if any, to members of the
4787 limited liability company.

4788 (d) The date on which such notification was mailed or
4789 delivered to the members.

4790 (e) Any other information concerning the plan of
4791 conversion.

4792 (6) The notification required by subsection (4) shall be
4793 deemed to be given at the earliest date of:

4794 (a) The date such notification is received;

4795 (b) Five days after the date such notification is
4796 deposited in the United States mail addressed to the member at
4797 the member's address as it appears in the books and records of
4798 the limited liability company, with postage thereon prepaid;

4799 (c) The date shown on the return receipt, if sent by
4800 registered or certified mail, return receipt requested, and the
4801 receipt is signed by or on behalf of the addressee; or

4802 (d) The date such notification is given in accordance with
4803 the provisions of the organic rules of the limited liability
4804 company.

4805 608.1044 Amendment or abandonment of plan of conversion.-

4806 (1) A plan of conversion of a domestic converting limited
4807 liability company may be amended:

4808 (a) In the same manner as the plan was approved, if the
4809 plan does not provide for the manner in which it may be amended;
4810 or

4811 (b) By the managers or members of the entity in the manner
4812 provided in the plan, but a member that was entitled to vote on
4813 or consent to approval of the conversion is entitled to vote on
4814 or consent to any amendment of the plan that will change:

4815 1. the amount or kind of interests, securities,
4816 obligations, money, other property, rights to acquire interests
4817 or securities, or any combination of the foregoing, to be
4818 received by the interest holders of the converting entity under
4819 the plan;

4820 2. the public organic record, if any, or private organic
4821 rules of the converted entity that will be in effect immediately
4822 after the conversion becomes effective, except for changes that
4823 do not require approval of the interest holders of the
4824 converting entity under its organic law or organic rules; or

4825 3. any other terms or conditions of the plan, if the
4826 change would adversely affect the member in any material
4827 respect.

4828 (2) After a plan of conversion has been approved and
4829 before the articles of conversion become effective, the plan may
4830 be abandoned as provided in the plan. Unless prohibited by the
4831 plan, a domestic converting limited liability company may
4832 abandon the plan in the same manner as the plan was approved.

4833 (3) If a plan of conversion is abandoned after articles of
4834 conversion have been delivered to the Department of State for
4835 filing and before such articles of conversion have become
4836 effective, a statement of abandonment, signed by the converting
4837 entity, must be delivered to the Department of State for filing
4838 before the articles of conversion become effective. The
4839 statement of abandonment takes effect on filing, and the
4840 conversion is abandoned and does not become effective. The
4841 statement of abandonment must contain:

- 4842 (a) The name of the converting limited liability company;
4843 (b) The date on which the articles of conversion were

4844 delivered to the Department of State for filing; and

4845 (c) A statement that the conversion has been abandoned in
4846 accordance with this section.

4847 608.1045 Articles of conversion.—

4848 (1) After a plan of conversion is approved, articles of
4849 conversion signed by the converting entity must be delivered to
4850 the Department of State for filing.

4851 (2) The articles of conversion must contain:

4852 (a) The name, jurisdiction of formation, and type of
4853 entity of the converting entity;

4854 (b) The name, jurisdiction of formation and type of entity
4855 of the converted entity;

4856 (c) If the converting entity is a domestic limited
4857 liability company, a statement that the plan of conversion has
4858 been approved in accordance with the provisions of ss. 608.1041-
4859 608.1046, or if the converted entity is a foreign entity, a
4860 statement that the conversion was approved by the foreign
4861 converting entity in accordance with the law of its jurisdiction
4862 of formation and by each member of the converting entity, who,
4863 as a result of the conversion, will have interest holder
4864 liability under s. 608.1043(1)(b), and whose approval is
4865 required.

4866 (d) If the converted entity is a domestic filing entity,
4867 the text of its public organic record, as an attachment;

4868 (e) If the converted entity is a domestic limited
4869 liability partnership, the text of its statement of
4870 qualification, as an attachment.

4871 (f) If the converted entity is a foreign entity that does
4872 not have a certificate of authority to transact business in this

4873 state, a mailing address to which the Department of State may
4874 send any process served on the Department of State pursuant to
4875 s. 608.117 and Chapter 48; and

4876 (g) A statement that the converted entity has agreed to
4877 pay to any members of any limited liability company with
4878 appraisal rights the amount to which such members are entitled
4879 under the provisions of s. 608.1006 and ss. 608.1061-608.1072;
4880 and

4881 (h) The effective date of the conversion, if the effective
4882 date of the conversion is not the same as the date of filing of
4883 the articles of conversion, subject to the limitations contained
4884 in s. 608.207.

4885 (2) In addition to the requirements of subsection (1),
4886 articles of conversion may contain any other provision not
4887 prohibited by law.

4888 (3) A conversion becomes effective when the articles of
4889 conversion become effective, unless the articles of conversion
4890 specify an effective time or a delayed effective date that
4891 complies with s. 608.207.

4892 (5) A copy of the articles of conversion, certified by the
4893 Department of State, may be filed in the official records of any
4894 county in this state in which the converted entity holds an
4895 interest in real property.

4896 608.1046 Effect of conversion.-

4897 (1) When a conversion in which the converted entity is a
4898 domestic limited liability company becomes effective:
4899 (a) the converted entity is:
4900 1. organized under and subject to this chapter; and
4901 2. the same entity without interruption as the converting
4902 entity;
4903 (b) all property of the converting entity continues to be
4904 vested in the converted entity without transfer, reversion, or
4905 impairment;
4906 (c) all debts, obligations, and other liabilities of the
4907 converting entity continue as debts, obligations, and other
4908 liabilities of the converted entity;
4909 (d) except as otherwise provided by law or the plan of
4910 conversion, all the rights, privileges, immunities, powers, and
4911 purposes of the converting entity remain in the converted
4912 entity;
4913 (e) the name of the converted entity may be substituted
4914 for the name of the converting entity in any pending action or
4915 proceeding;
4916 (f) the provisions of the organic rules of the converted
4917 entity that are to be in a record, if any, approved as part of
4918 the plan of conversion are effective; and
4919 (g) the interests or rights to acquire interests in the
4920 converting entity are converted, and the interest holders of the
4921 converting entity are entitled only to the rights provided to
4922 them under the plan of conversion and to any appraisal rights
4923 they have under the provisions of s. 608.1006 and ss. 608.1061-
4924 1072 and the converting entity's organic law.
4925 (2) Except as otherwise provided in the private organic

4926 rules of a domestic converting limited liability company, the
4927 conversion does not give rise to any rights that a member,
4928 manager, or third party would otherwise have upon a dissolution,
4929 liquidation, or winding up of the converting entity.

4930 (3) When a conversion becomes effective, a person that did
4931 not have interest holder liability with respect to the
4932 converting entity and becomes subject to interest holder
4933 liability with respect to a domestic entity as a result of the
4934 conversion has interest holder liability only to the extent
4935 provided by the organic law of the entity and only for those
4936 debts, obligations, and other liabilities that arise after the
4937 conversion becomes effective.

4938 (4) When a conversion becomes effective, the interest
4939 holder liability of a person that ceases to hold an interest in
4940 a domestic limited liability company with respect to which the
4941 person had interest holder liability is as follows:

4942 (a) the conversion does not discharge any interest holder
4943 liability to the extent the interest holder liability arose
4944 before the conversion became effective;

4945 (b) the person does not have interest holder liability for
4946 any debt, obligation, or other liability that arises after the
4947 conversion becomes effective; and

4948 (c) the organic law of the jurisdiction of formation of the
4949 converting limited liability company and any rights of
4950 contribution provided under such law, or the organic rules of
4951 the converting limited liability company, continue to apply to
4952 the release, collection or discharge of any interest holder
4953 liability preserved under subparagraph (a) as if the conversion
4954 had not occurred.

4955 (5) When a conversion becomes effective, a foreign entity
4956 that is the converted entity may be served with process in this
4957 state for the collection and enforcement of any of its debts,
4958 obligations, and liabilities as provided in s. 608.117 and
4959 chapter 48.

4960 (6) If the converting entity is a registered foreign
4961 entity, the certificate of authority to conduct business in this
4962 state of the converting entity is canceled when the conversion
4963 becomes effective.

4964 (7) A conversion does not require the entity to wind up its
4965 affairs and does not constitute or cause the dissolution of the
4966 entity.

4967 608.1051 Domestication authorized.— By complying with the
4968 provisions of ss. 608.1051-608.1056, a non-United States entity
4969 may become a domestic limited liability company if the
4970 domestication is authorized by the organic law of the non-United
4971 States entity's jurisdiction of formation.

4972 608.1052 Plan of domestication.—

4973 (1) A non-United States entity may become a domestic
4974 limited liability company by approving a plan of domestication.
4975 The plan of domestication must be in a record and contain:

4976 (a) The name and jurisdiction of formation of the
4977 domesticating entity;

4978 (b) If applicable, the manner and basis of converting the
4979 interests and rights to acquire interests in the domesticating
4980 entity into interests, securities, obligations, money, other
4981 property, rights to acquire interests or securities, or any
4982 combination of the foregoing.

4983 (c) The proposed public organic record of the

4984 domesticating entity in this state;

4985 (d) The full text of the proposed private organic rules of
4986 the domesticated entity that are to be in a record, if any; and

4987 (e) Any other provision required by the law of the
4988 jurisdiction of formation of the domesticating entity or the
4989 organic rules of the domesticating entity.

4990 (2) In addition to the requirements of subsection (1), a
4991 plan of domestication may contain any other provision not
4992 prohibited by law.

4993 608.1053 Approval of domestication.—

4994 (1) A plan of domestication of a domesticating entity
4995 shall be approved:

4996 (a) In accordance with the organic law of the
4997 domesticating entity's jurisdiction of formation; and

4998 (b) In a record, by each of the domesticating entity's
4999 owners who will have interest holder liability for debts,
5000 obligations, and other liabilities that arise after the
5001 domestication becomes effective, unless:

5002 1. The organic rules of the domesticating entity in a
5003 record provide for the approval of a domestication in which some
5004 or all of the persons that are its owners become subject to
5005 interest holder liability by the vote or consent of fewer than
5006 all of the persons that are its owners; and

5007 2. The person that will be a member of the domesticated
5008 limited liability company consented in a record to or voted for
5009 that provision of the organic rules of the domesticating entity
5010 or became an owner of the domesticating entity after the
5011 adoption of that provision.

5012 608.1054 Amendment or abandonment of plan of

5013 domestication.—

5014 (1) A plan of domestication of a domesticating entity may
5015 be amended:

5016 (a) In the same manner as the plan was approved, if the
5017 plan does not provide for the manner in which it may be amended;
5018 or

5019 (b) By the interest holders of the domesticating entity in
5020 the manner provided in the plan, but an owner who was entitled
5021 to vote on or consent to approval of the domestication is
5022 entitled to vote on or consent to any amendment of the plan that
5023 will change:

5024 1. If applicable, the amount or kind of interests,
5025 securities, obligations, money, other property, rights to
5026 acquire interests or securities, or any combination of the
5027 foregoing, to be received by the interest holders of the
5028 domesticating entity under the plan;

5029 2. The public organic record, if any, or private organic
5030 rules of the domesticated limited liability company that will be
5031 in effect immediately after the domestication becomes effective,
5032 except for changes that do not require approval of the interest
5033 holders of the domesticating entity under its organic law or
5034 organic rules; or

5035 3. any other terms or conditions of the plan, if the
5036 change would adversely affect the member in any material
5037 respect.

5038 (2) After a plan of domestication has been approved and
5039 before the articles of domestication become effective, the plan
5040 may be abandoned as provided in the plan. Unless prohibited by
5041 the plan, the domesticating entity may abandon the plan in the

5042 same manner as the plan was approved.

5043 (4) If a plan of domestication is abandoned after articles
5044 of domestication have been delivered to the Department of State
5045 for filing and before such articles of domestication have become
5046 effective, a statement of abandonment, signed by the
5047 domesticating entity, must be delivered to the Department of
5048 State for filing before the articles of domestication become
5049 effective. The statement of abandonment takes effect on filing,
5050 and the domestication is abandoned and does not become
5051 effective. The statement of abandonment must contain:

5052 (a) The name of the domesticating entity;
5053 (b) The date on which the articles of domestication were
5054 delivered to the Department of State for filing; and
5055 (c) A statement that the domestication has been abandoned
5056 in accordance with this section.

5057 608.1055 Articles of domestication.-

5058 (1) The articles of domestication shall be filed with the
5059 Department of State. The articles of domestication shall state:
5060 (a) The date on which the domesticating entity was first
5061 formed, incorporated, created or otherwise came into being;
5062 (b) The name of the domesticating entity immediately prior
5063 to the filing of the articles of domestication;
5064 (c) The name of the domesticated limited liability company
5065 as set forth in the articles of organization filed in accordance
5066 with subsection (1) of this section;
5067 (d) The future effective date of the domestication as a
5068 limited liability company if it is not to be effective upon the
5069 filing of the articles of domestication subject to the
5070 limitations contained in s. 608.207;

5071 (e) The jurisdiction that constituted the seat, siege
5072 social, or principal place of business or central administration
5073 of the domesticating entity, or any other equivalent thereto
5074 under applicable law, immediately prior to the filing of the
5075 articles of domestication; and

5076 (f) That the domestication has been approved in accordance
5077 with the laws of the jurisdiction of formation of the
5078 domesticating entity.

5079 (2) In addition to the requirements of subsection (1),
5080 articles of domestication may contain any other provision not
5081 prohibited by law.

5082 (3) The articles of domestication that are filed with the
5083 Department of State shall be accompanied by a certificate of
5084 status or equivalent document, if any, from the domesticating
5085 entity's jurisdiction of formation.

5086 (4) The articles of domestication and the public organic
5087 record of a domesticated limited liability company must satisfy
5088 the requirements of the law of this state, but be executed by an
5089 authorized representative and registered agent in accordance
5090 with this chapter.

5091 608.1056 Effect of domestication.—

5092 (1) When a domestication becomes effective:

5093 (a) the domesticated limited liability company is:

5094 1. organized under and subject to the organic law of this
5095 state; and

5096 2. the same entity without interruption as the
5097 domesticating entity.

5098 (b) All property of the domesticating entity continues to
5099 be vested in the domesticated limited liability company without

5100 transfer, reversion, or impairment;

5101 (c) All debts, obligations, and other liabilities of the
5102 domesticating entity continue as debts, obligations, and other
5103 liabilities of the domesticated limited liability company;

5104 (d) Except as otherwise provided by law or the plan of
5105 domestication, all the rights, privileges, immunities, powers,
5106 and purposes of the domesticating entity remain in the
5107 domesticated limited liability company;

5108 (e) The name of the domesticated limited liability company
5109 may be substituted for the name of the domesticating entity in
5110 any pending action or proceeding;

5111 (f) the public organic rules of the domesticated limited
5112 liability company are effective;

5113 (g) The provisions of private organic rules of the
5114 domesticated limited liability company that are to be in a
5115 record, if any, approved as part of the plan of domestication
5116 are effective; and

5117 (h) the interests in the domesticating entity are
5118 converted to the extent and as approved in connection with the
5119 domestication, and the interest holders of the domesticating
5120 entity are entitled only to the rights provided to them under
5121 the plan of domestication.

5122 (2) Except as otherwise provided in the organic law or
5123 organic rules of the domesticating entity, the domestication
5124 does not give rise to any rights that an interest holder or
5125 third party would otherwise have upon a dissolution,
5126 liquidation, or winding up of the domesticating entity.

5127 (3) When a domestication becomes effective, a person that
5128 did not have interest holder liability with respect to the

5129 domesticating entity and becomes subject to interest holder
5130 liability with respect to the domesticated limited liability
5131 company as a result of the domestication has interest holder
5132 liability only to the extent provided by the organic law of the
5133 domesticating entity and only for those debts, obligations, and
5134 other liabilities that arise after the domestication becomes
5135 effective.

5136 (4) When a domestication becomes effective:

5137 (a) The domestication does not discharge any interest
5138 holder liability under this chapter to the extent the interest
5139 holder liability arose before the domestication became
5140 effective;

5141 (b) A person does not have interest holder liability under
5142 this chapter for any debt, obligation, or other liability that
5143 arises after the domestication becomes effective;

5144 (c) The organic law of the jurisdiction of formation of the
5145 domesticating entity and any rights of contribution provided
5146 under such law, or the organic rules of the domesticating
5147 entity, continue to apply to the release, collection or
5148 discharge of any interest holder liability preserved under
5149 subparagraph (a) as if the domestication had not occurred.

5150 (5) When a domestication becomes effective, a
5151 domesticating entity that has become the domesticated limited
5152 liability company may be served with process in this state for
5153 the collection and enforcement of any of its debts, obligations,
5154 and liabilities as provided in s. 608.117 and chapter 48.

5155 (6) If the domesticating entity is qualified to transact
5156 business in Florida, the certificate of authority of the
5157 domesticating entity is canceled when the domestication becomes

5158 effective.

5159 (7) A domestication does not require the domesticating
5160 entity to wind up its affairs and does not constitute or cause
5161 the dissolution of the domesticating entity.

5162 608.1061 Appraisal rights; definitions.— The following
5163 definitions apply to s. 608.1006 and to ss. 608.1061-1072:

5164 (1) "Accrued interest" means interest from the effective
5165 date of the appraisal event to which the member objects until
5166 the date of payment, at the rate of interest determined for
5167 judgments in accordance with s. 55.03, determined as of the
5168 effective date of the appraisal event.

5169 (2) "Affiliate" means a person that directly or
5170 indirectly, through one or more intermediaries, controls, is
5171 controlled by, or is under common control with another person or
5172 is a senior executive thereof. For purposes of s. 608.1006(2), a
5173 person is deemed to be an affiliate of its senior executives.

5174 (3) "Appraisal event" means an event described in
5175 s. 608.1006(1).

5176 (4) "Beneficial member" means a person who is the
5177 beneficial owner of a membership interest held in a voting trust
5178 or by a nominee on the beneficial owner's behalf.

5179 (5) "Fair value" means the value of the member's
5180 membership interests determined:

5181 (a) Immediately before the effectuation of the appraisal
5182 event to which the member objects.

5183 (b) Using customary and current valuation concepts and
5184 techniques generally employed for similar businesses in the
5185 context of the transaction requiring appraisal, excluding any
5186 appreciation or depreciation in anticipation of the transaction

5187 to which the member objects unless exclusion would be
5188 inequitable to the limited liability company and its remaining
5189 members.

5190 (c) Without discounting for lack of marketability or
5191 minority status.

5192 (6) "Limited liability company" means the limited
5193 liability company that issued the membership interest held by a
5194 member demanding appraisal and, for matters covered in ss.
5195 608.1061-608.1072, including the converted entity in a
5196 conversion or the surviving entity in a merger.

5197 (7) "Member" means a record member or a beneficial member.

5198 (8) "Membership interest" means a member's transferable
5199 interest and all other rights as a member of the limited
5200 liability company that issued the membership interest, including
5201 any voting rights, management rights or any other rights under
5202 this chapter or the organic rules of the limited liability
5203 company except, if the appraisal rights of a member under s.
5204 608.1006 pertain to only a certain class or series of a
5205 membership interest, the term "membership interest" means only
5206 the membership interest pertaining to such class or series.

5207 (9) "Record member" means each person who is identified as
5208 a member in the current list of members maintained for purposes
5209 of s. 608.1006 by the limited liability company, or to the
5210 extent the limited liability company has failed to maintain a
5211 current list, each person that is the rightful owner of a
5212 membership interest in the limited liability company. A
5213 transferee of a membership interest who has not been admitted as
5214 member is not a record member.

5215 (10) "Senior executive" means a manager in a manager-

5216 managed limited liability company, a member in a member-managed
5217 limited liability company, or the chief executive officer, chief
5218 operating officer, chief financial officer, or anyone in charge
5219 of a principal business unit or function of a limited liability
5220 company (or of a manager in a manager-managed limited liability
5221 company or a member in a member-managed limited liability
5222 company).

5223 608.1062 Assertion of rights by nominees and beneficial
5224 owners.—

5225 (1) A record member may assert appraisal rights as to
5226 fewer than all the membership interests registered in the record
5227 member's name which are owned by a beneficial member only if the
5228 record member objects with respect to all membership interests
5229 of the class or series owned by that beneficial member and
5230 notifies the limited liability company in writing of the name
5231 and address of each beneficial member on whose behalf appraisal
5232 rights are being asserted. The rights of a record member who
5233 asserts appraisal rights for only part of the membership
5234 interests of the class or series held of record in the record
5235 member's name under this subsection shall be determined as if
5236 the membership interests to which the record member objects and
5237 the record member's other membership interests were registered
5238 in the names of different record members.

5239 (2) A beneficial member may assert appraisal rights as to
5240 a membership interest held on behalf of the member only if such
5241 beneficial member:

5242 (a) Submits to the limited liability company the record
5243 member's written consent to the assertion of such rights no
5244 later than the date referred to in s. 608.1063(3)(b); and

5245 (b) Does so with respect to all membership interests of
5246 the class or series that are beneficially owned by the
5247 beneficial member.

5248 608.1063 Notice of appraisal rights.—

5249 (1) If a proposed appraisal event is to be submitted to a
5250 vote at a members' meeting, the meeting notice must state that
5251 the limited liability company has concluded that the members
5252 are, are not, or may be entitled to assert appraisal rights
5253 under this chapter.

5254 (2) If the limited liability company concludes that
5255 appraisal rights are or may be available, a copy of s. 608.1006
5256 and ss. 608.1061-608.1072 must accompany the meeting notice sent
5257 to those record members who are or may be entitled to exercise
5258 appraisal rights.

5259 (3) If the appraisal event is to be approved other than by
5260 a members' meeting,

5261 (a) Written notice that appraisal rights are, are not or
5262 may be available must be sent to each member from whom a consent
5263 is solicited at the time consent of such member is first
5264 solicited, and if the limited liability company has concluded
5265 that appraisal rights are or may be available, a copy of s.
5266 608.1006 and ss. 608.1061-608.1072 must accompany such written
5267 notice; and

5268 (b) Written notice that appraisal rights are, are not or
5269 may be available must be delivered, not less than 10 days before
5270 the appraisal event becomes effective, to all nonconsenting and
5271 nonvoting members, and, if the limited liability company has
5272 concluded that appraisal rights are or may be available, a copy
5273 of s. 608.1006 and ss. 608.1061-608.1072 must accompany such

5274 written notice.

5275 (4) If a particular appraisal event is proposed and the
5276 limited liability company concludes that appraisal rights are or
5277 may be available, the notice referred to in subsection (1) or
5278 subsections (3)(a) or (b) shall be accompanied by:

5279 (a) Financial statements of the limited liability company
5280 that issued the membership interests that may or are subject to
5281 appraisal rights, consisting of a balance sheet as of the end of
5282 the fiscal year ending not more than 16 months before the date
5283 of the notice, an income statement for that fiscal year and a
5284 cash flow statement for that fiscal year; provided that if such
5285 financial statements are not reasonably available, the limited
5286 liability company shall provide reasonably equivalent financial
5287 information; and

5288 (b) The latest available interim financial statements
5289 (including year to date through the end of such interim period)
5290 of such limited liability company, if any.

5291 (5) The right to receive the information described in
5292 subsection (4) may be waived in writing by a member before or
5293 after the appraisal event.

5294 608.1064 Notice of intent to demand payment.-

5295 (1) If a proposed appraisal event is submitted to a vote
5296 at a members' meeting, a member who is entitled to and who
5297 wishes to assert appraisal rights with respect to any class or
5298 series of membership interests:

5299 (a) Must deliver to any other member of a member managed
5300 limited liability company, to a manager of a manager-managed
5301 limited liability company, or, if the limited liability company
5302 has appointed officers, to an officer, before the vote is taken

5303 written notice of such person's intent to demand payment if the
5304 proposed appraisal event is effectuated, and

5305 (b) Must not vote, or cause or permit to be voted, any
5306 membership interests of such class or series in favor of the
5307 appraisal event.

5308 (2) If a proposed appraisal event is to be approved by
5309 less than unanimous written consent of the members, a member who
5310 is entitled to and who wishes to assert appraisal rights with
5311 respect to any class or series of membership interests must not
5312 sign a consent in favor of the proposed appraisal event with
5313 respect to that class or series of membership interests.

5314 (3) A person who may otherwise be entitled to appraisal
5315 rights, but who does not satisfy the requirements of subsections
5316 (1) or (2), is not entitled to payment under the provisions of
5317 s. 608.1006 and ss. 608.1061-608.1072.

5318 608.1065 Appraisal notice and form.-

5319 (1) If the proposed appraisal event becomes effective, the
5320 limited liability company must send a written appraisal notice
5321 and form required by paragraph (2)(a) to all members who satisfy
5322 the requirements of ss. 608.1064(1) or (2).

5323 (2) The appraisal notice must be sent no earlier than the
5324 date the appraisal event became effective and no later than 10
5325 days after such date and must:

5326 (a) Supply a form that specifies the date that the
5327 appraisal event became effective and that provides for the
5328 member to state:

5329 1. The member's name and address.

5330 2. The number, classes, and series of membership interests
5331 as to which the member asserts appraisal rights.

5332 3. That the member did not vote for or execute a written
5333 consent with respect to the transaction.

5334 4. Whether the member accepts the limited liability
5335 company's offer as stated in subsection (2)(b)(4).

5336 5. If the offer is not accepted, the member's estimated
5337 fair value of the membership interests and a demand for payment
5338 of the member's estimated value plus accrued interest;

5339 (b) State:

5340 1. Where the form described in paragraph (2)(a) must be
5341 sent.

5342 2. A date by which the limited liability company must
5343 receive the form, which date may not be fewer than 40 nor more
5344 than 60 days after the date the appraisal notice and form
5345 described in this section are sent, and that the member shall be
5346 considered to have waived the right to demand appraisal with
5347 respect to the membership interests unless the form is received
5348 by the limited liability company by such specified date.

5349 3. In the case of membership interests represented by a
5350 certificate, the location at which certificates for such
5351 certificated membership interests must be deposited, if that
5352 action is required by the limited liability company, and the
5353 date by which those certificates must be deposited, which date
5354 may not be earlier than the date for receiving the required form
5355 under subparagraph (2).

5356 4. The limited liability company's estimate of the fair
5357 value of the membership interests.

5358 5. An offer to each member who is entitled to appraisal
5359 rights to pay the limited liability company's estimate of fair
5360 value set forth in subparagraph (4).

5361 6. That, if requested in writing, the limited liability
5362 company will provide to the member so requesting, within 10 days
5363 after the date specified in subparagraph (2) the number of
5364 members who return the forms by the specified date and the total
5365 number of membership interests owned by them.

5366 7. The date by which the notice to withdraw under s.
5367 608.1066 must be received, which date must be within 20 days
5368 after the date specified in subsection (2)(b)2; and

5369 8. If not previously provided, accompanied by a copy of
5370 ss. 608.1006 and ss. 608.1061-608.1072.

5371 608.1066 Perfection of rights; right to withdraw.—
5372 (1) A member who receives notice pursuant to s. 608.1065
5373 and wishes to exercise appraisal rights must sign and return the
5374 form received pursuant to s. 608.1065(1) and, in the case of
5375 certificated membership interests and if the limited liability
5376 company so requires, deposit the member's certificates in
5377 accordance with the terms of the notice by the date referred to
5378 in the notice pursuant to s. 608.1065(2)(b)2. Once a member
5379 deposits that member's certificates or, in the case of
5380 uncertificated membership interests, returns the signed form
5381 described in s. 608.1065(2), the member loses all rights as a
5382 member, unless the member withdraws pursuant to subsection (2).
5383 Upon receiving a demand for payment from a member who holds an
5384 uncertificated membership interest, the limited liability
5385 company shall make an appropriate notation of the demand for
5386 payment in its records and shall restrict the transfer of such
5387 membership interest, or the applicable class or series, from the
5388 date the member delivers the items required by this subsection
5389 (1).

5390 (2) A member who has complied with subsection (1) may
5391 nevertheless decline to exercise appraisal rights and withdraw
5392 from the appraisal process by so notifying the limited liability
5393 company in writing by the date set forth in the appraisal notice
5394 pursuant to s. 608.1065(2)(b)7. A member who fails to so
5395 withdraw from the appraisal process may not thereafter withdraw
5396 without the limited liability company's written consent.

5397 (3) A member who does not sign and return the form and, in
5398 the case of certificated membership interests, deposit that
5399 member's certificates, if so required by the limited liability
5400 company, each by the date set forth in the notice described in
5401 s. 1065(2)(a), shall not be entitled to payment under the
5402 provisions of s. 608.1006 and ss. 608.1061-608.1072.

5403 (4) If the member's right to receive fair value is
5404 terminated other than by the purchase of the membership interest
5405 by the limited liability company, all rights of the member, with
5406 respect to such membership interest, shall be reinstated
5407 effective as of the date the member delivered the items required
5408 by subsection (1), including the right to receive any
5409 intervening payment or other distribution with respect to such
5410 membership interest, or, if any such rights have expired or any
5411 such distribution other than a cash payment has been completed,
5412 in lieu thereof at the election of the limited liability
5413 company, the fair value thereof in cash as determined by the
5414 limited liability company as of the time of such expiration or
5415 completion, but without prejudice otherwise to any action or
5416 proceeding of the limited liability company that may have been
5417 taken by the limited liability company on or after the date the
5418 member delivered the items required by subsection (1).

5419 608.1067 Member's acceptance of limited liability
5420 company's offer.

5421 (1) If the member states on the form provided in
5422 s. 608.1065(1) that the member accepts the offer of the limited
5423 liability company to pay the limited liability company's
5424 estimated fair value for the membership interest, the limited
5425 liability company shall make such payment to the member within
5426 90 days after the limited liability company's receipt of the
5427 items required by s. 608.1066(1).

5428 (2) Upon payment of the agreed value, the member shall
5429 cease to have any interest in the membership interest.

5430 608.1068 Procedure if member is dissatisfied with offer.-

5431 (1) A member who is dissatisfied with the limited
5432 liability company's offer as set forth pursuant to
5433 s. 608.1065(2)(b)4. must notify the limited liability company on
5434 the form provided pursuant to s. 608.1065(1) of the member's
5435 estimate of the fair value of the membership interest and demand
5436 payment of that estimate plus accrued interest.

5437 (2) A member who fails to notify the limited liability
5438 company in writing of the member's demand to be paid the
5439 member's estimate of the fair value plus interest under
5440 subsection (1) within the timeframe set forth in s.

5441 608.1065(2)(b)2. waives the right to demand payment under this
5442 section and shall be entitled only to the payment offered by the
5443 limited liability company pursuant to s. 608.1065(2)(b)4.

5444 608.1069 Court action.-

5445 (1) If a member makes demand for payment under s.
5446 608.1068, which remains unsettled, the limited liability company
5447 shall commence a proceeding within 60 days after receiving the

5448 payment demand and petition the court to determine the fair
5449 value of the membership interest plus accrued interest from the
5450 date of the appraisal event. If the limited liability company
5451 does not commence the proceeding within the 60-day period, any
5452 member who has made a demand pursuant to s. 608.1068 may
5453 commence the proceeding in the name of the limited liability
5454 company.

5455 (2) The proceeding shall be commenced in the appropriate
5456 court of the county in which the limited liability company's
5457 principal office in this state is located or, if none, the
5458 county in which its registered agent is located. If by virtue of
5459 the appraisal event becoming effective the limited liability
5460 company has become a foreign limited liability company without a
5461 registered agent in this state, the proceeding shall be
5462 commenced in the county in this state in which the principal
5463 office or registered agent of the limited liability company was
5464 located immediately prior to the time the appraisal event became
5465 effective.

5466 (3) All members, whether or not residents of this state,
5467 whose demands remain unsettled shall be made parties to the
5468 proceeding as in an action against their membership interests.
5469 The limited liability company shall serve a copy of the initial
5470 pleading in such proceeding upon each member party who is a
5471 resident of this state in the manner provided by law for the
5472 service of a summons and complaint and upon each nonresident
5473 member party by registered or certified mail or by publication
5474 as provided by law.

5475 (4) The jurisdiction of the court in which the proceeding
5476 is commenced under subsection (2) is plenary and exclusive. If

5477 it so elects, the court may appoint one or more persons as
5478 appraisers to receive evidence and recommend a decision on the
5479 question of fair value. The appraisers shall have the powers
5480 described in the order appointing them or in any amendment to
5481 the order. The members demanding appraisal rights are entitled
5482 to the same discovery rights as parties in other civil
5483 proceedings. There shall be no right to a jury trial.

5484 (5) Each member made a party to the proceeding is entitled
5485 to judgment for the amount of the fair value of such member's
5486 membership interests, plus interest, as found by the court.

5487 (6) The limited liability company shall pay each such
5488 member the amount found to be due within 10 days after final
5489 determination of the proceedings. Upon payment of the judgment,
5490 the member shall cease to have any interest in the membership
5491 interests.

5492 608.1070 Court costs and counsel fees.-

5493 (1) The court in an appraisal proceeding shall determine
5494 all costs of the proceeding, including the reasonable
5495 compensation and expenses of appraisers appointed by the court.
5496 The court shall assess the costs against the limited liability
5497 company, except that the court may assess costs against all or
5498 some of the members demanding appraisal, in amounts the court
5499 finds equitable, to the extent the court finds such members
5500 acted arbitrarily, vexatiously, or not in good faith with
5501 respect to the rights provided by this chapter.

5502 (2) The court in an appraisal proceeding may also assess
5503 the expenses incurred by the respective parties, in amounts the
5504 court finds equitable:

5505 (a) Against the limited liability company and in favor of

5506 any or all members demanding appraisal if the court finds the
5507 limited liability company did not substantially comply with the
5508 requirements of ss. 608.1061-608.1072; or

5509 (b) Against either the limited liability company or a
5510 member demanding appraisal, in favor of any other party, if the
5511 court finds that the party against whom the expenses are
5512 assessed acted arbitrarily, vexatiously, or not in good faith
5513 with respect to the rights provided by this chapter.

5514 (3) If the court in an appraisal proceeding finds that the
5515 expenses incurred by any member were of substantial benefit to
5516 other members similarly situated, and that the expenses should
5517 not be assessed against the limited liability company, the court
5518 may direct that the expenses be paid out of the amounts awarded
5519 the members who were benefited.

5520 (4) To the extent the limited liability company fails to
5521 make a required payment pursuant to s. 608.1067 or s. 608.1069,
5522 the member may sue directly for the amount owed and, to the
5523 extent successful, shall be entitled to recover from the limited
5524 liability company all costs and expenses of the suit, including
5525 attorney's fees.

5526 608.1071 Limitation on limited liability company payment.-

5527 (1) No payment shall be made to a member seeking appraisal
5528 rights if, at the time of payment, the limited liability company
5529 is unable to meet the distribution standards of s. 608.4051. In
5530 such event, the member shall, at the member's option:

5531 (a) Withdraw the notice of intent to assert appraisal
5532 rights, which shall in such event be deemed withdrawn with the
5533 consent of the limited liability company; or

5534 (b) Retain the status as a claimant against the limited

5535 - liability company and, if the limited liability company is

5536 - liquidated, be subordinated to the rights of creditors of the

5537 - limited liability company but have rights superior to the

5538 - members not asserting appraisal rights and, if it is not

5539 - liquidated, retain the right to be paid for the membership

5540 - interest, which right the limited liability company shall be

5541 - obliged to satisfy when the restrictions of this section do not

5542 - apply.

5543 (2) The member shall exercise the option under subsection

5544 (1)(a) or subsection (1)(b) by written notice filed with the

5545 limited liability company within 30 days after the limited

5546 liability company has given written notice that the payment for

5547 the membership interests cannot be made because of the

5548 restrictions of this section. If the member fails to exercise

5549 the option, the member shall be deemed to have withdrawn the

5550 notice of intent to assert appraisal rights.

5551 608.1072 Other remedies limited.—

5552 (1) The legality of a proposed or completed appraisal

5553 event may not be contested, nor may the appraisal event be

5554 enjoined, set aside or rescinded, in a legal or equitable

5555 proceeding by a member after the members have approved the

5556 appraisal event.

5557 (2) Subsection (1) does not apply to an appraisal event

5558 that:

5559 (a) Was not authorized and approved in accordance with the

5560 applicable provisions of this chapter, the organic rules of the

5561 limited liability company or the resolutions of the members

5562 authorizing the appraisal event;

5563 (b) Was procured as a result of fraud, a material

5564 misrepresentation, or an omission of a material fact necessary
5565 to make statements made, in light of the circumstances in which
5566 they were made, not misleading; or

5567 (3) Is an interested transaction, unless it has been
5568 approved in the same manner as is provided in s. 608.4092.

5569 608.1101 Uniformity of application and construction.—In
5570 applying and construing this chapter, consideration must be
5571 given to the need to promote uniformity of the law with respect
5572 to the uniform act upon which it is based.

5573 608.1102 Relation to electronic signatures in global and
5574 national commerce act.—This chapter modifies, limits, and
5575 supersedes the Electronic Signatures in Global and National
5576 Commerce Act, 15 U.S.C. s. 7001 et seq., but does not modify,
5577 limit, or supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c),
5578 or authorize electronic delivery of any of the notices described
5579 in s. 103(b) of that act, 15 U.S.C. s. 7003(b). Notwithstanding
5580 the foregoing, nothing in this section or in any other provision
5581 in this chapter shall operate to modify, limit or supersede any
5582 provisions of ss. 15.16, 116.34 or 608.50.

5583 608.1103 Tax exemption on income of certain limited
5584 liability companies.—

5585 (1) A limited liability company classified as a
5586 partnership for federal income tax purposes, or a single member
5587 limited liability company which is disregarded as an entity
5588 separate from its owner for federal income tax purposes, and
5589 organized pursuant to this chapter or qualified to do business
5590 in this state as a foreign limited liability company is not an
5591 "artificial entity" within the purview of s. 220.02 and is not
5592 subject to the tax imposed under chapter 220. If a single member

5593 limited liability company is disregarded as an entity separate
5594 from its owner for federal income tax purposes, its activities
5595 are, for purposes of taxation under chapter 220, treated in the
5596 same manner as a sole proprietorship, branch, or division of the
5597 owner.

5598 (2) For purposes of taxation under chapter 220, a limited
5599 liability company formed in this state or a foreign limited
5600 liability company authorized to transact business in this state
5601 shall be classified as a partnership, or a limited liability
5602 company which has only one member shall be disregarded as an
5603 entity separate from its owner for federal income tax purposes,
5604 unless classified otherwise for federal income tax purposes, in
5605 which case the limited liability company shall be classified
5606 identically to its classification for federal income tax
5607 purposes. For purposes of taxation under chapter 220, a member
5608 or an transferee of a member of a limited liability company
5609 formed in this state or a foreign limited liability company
5610 qualified to do business in this state shall be treated as a
5611 resident or nonresident partner unless classified otherwise for
5612 federal income tax purposes, in which case the member or
5613 transferee of a member shall have the same status as such member
5614 or transferee of a member has for federal income tax purposes.

5615 (3) Single-member limited liability companies and other
5616 entities that are disregarded for federal income tax purposes
5617 must be treated as separate legal entities for all non-income
5618 tax purposes. The Department of Revenue shall adopt rules to
5619 take into account that single-member disregarded entities such
5620 as limited liability companies and qualified subchapter S
5621 corporations may be disregarded as separate entities for federal

5622 tax purposes and therefore may report and account for income,
5623 employment, and other taxes under the taxpayer identification
5624 number of the owner of the single-member entity.

5625 608.1104 Interrogatories by Department of State; other
5626 powers of Department of State.-

5627 (1) The Department of State may direct to any limited
5628 liability company or foreign limited liability company subject
5629 to this chapter, and to any member or manager of any limited
5630 liability company or foreign limited liability company subject
5631 to this chapter, any interrogatories reasonably necessary and
5632 proper to enable the Department of State to ascertain whether
5633 the limited liability company or foreign limited liability
5634 company has complied with all of the provisions of this chapter
5635 applicable to the limited liability company or foreign limited
5636 liability company. The interrogatories shall be answered within
5637 30 days after the date of mailing, or within such additional
5638 time as fixed by the Department of State. The answers to the
5639 interrogatories shall be full and complete and shall be made in
5640 writing and under oath. If the interrogatories are directed to
5641 an individual, they shall be answered by the individual, and if
5642 directed to a limited liability company or foreign limited
5643 liability company, they shall be answered by a manager of a
5644 manager-managed company, a member of a member-managed company,
5645 or a fiduciary if the company is in the hands of a receiver,
5646 trustee, or other court-appointed fiduciary.

5647 (2) The Department of State need not file any record in a
5648 court of competent jurisdiction to which the interrogatories
5649 relate until the interrogatories are answered as provided in
5650 this chapter, and not then if the answers thereto disclose that

5651 the record is not in conformity with the requirements of this
5652 chapter or if the Department of State has determined that the
5653 parties to such document have not paid all fees, taxes, and
5654 penalties due and owing this state. The Department of State
5655 shall certify to the Department of Legal Affairs, for such
5656 action as the Department of Legal Affairs may deem appropriate,
5657 all interrogatories and answers that disclose a violation of
5658 this chapter.

5659 (3) The Department of State may, based upon its findings
5660 hereunder or as provided in s. 213.053(15), bring an action in
5661 circuit court to collect any penalties, fees, or taxes
5662 determined to be due and owing the state and to compel any
5663 filings, qualification, or registration required by law. In
5664 connection with such proceeding, the Department of State may,
5665 without prior approval by the court, file a lis pendens against
5666 any property owned by the limited liability company and may
5667 further certify any findings to the Department of Legal Affairs
5668 for the initiation of any action permitted pursuant to this
5669 chapter which the Department of Legal Affairs may deem
5670 appropriate.

5671 (4) The Department of State shall have the power and
5672 authority reasonably necessary to enable it to administer this
5673 chapter efficiently, to perform the duties herein imposed upon
5674 it, and to adopt reasonable rules necessary to carry out its
5675 duties and functions under this chapter.

5676 608.1105 Reservation of power to amend or repeal.—The
5677 Legislature has the power to amend or repeal all or part of this
5678 chapter at any time, and all domestic and foreign limited
5679 liability companies subject to this chapter shall be governed by

5680 the amendment or repeal.

5681 608.1106 Savings clause.-

5682 (1) Except as provided in subsection (2), the repeal of a
statute by this chapter does not affect:

5683 (a) The operation of the statute or any action taken under
it before its repeal, including, without limiting the generality
of the foregoing, the continuing validity of any provision of
the articles of organization, regulations, or operating
agreements of a limited liability company authorized by the
statute at the time of its adoption;

5684 (b) Any ratification, right, remedy, privilege,
obligation, or liability acquired, accrued, or incurred under
the statute before its repeal;

5685 (c) Any violation of the statute, or any penalty,
forfeiture, or punishment incurred because of the violation,
before its repeal;

5686 (d) Any proceeding, merger, sale of assets,
reorganization, or dissolution commenced under the statute
before its repeal, and the proceeding, merger, sale of assets,
reorganization, or dissolution may be completed in accordance
with the statute as if it had not been repealed.

5687 (2) If a penalty or punishment imposed for violation of a
statute is reduced by this chapter, the penalty or punishment if
not already imposed shall be imposed in accordance with this
chapter.

5688 (3) This chapter does not affect an action commenced,
proceeding brought, or right accrued before this chapter takes
effect.

5689 608.1107 Severability clause.-If any provision of this

5709 chapter or its application to any person or circumstance is held
5710 invalid, the invalidity does not affect other provisions or
5711 applications of this chapter which can be given effect without
5712 the invalid provision or application, and to this end the
5713 provisions of this chapter are severable.

5714 608.1108 Application to existing relationships.—

5715 (1) Subject to subsection (4), before January 1, 2015,
5716 this chapter governs only:

5717 (a) A limited liability company formed on or after January
5718 1, 2014; and

5719 (b) Except as otherwise provided in subsection (3), a
5720 limited liability company formed before January 1, 2014 which
5721 elects, in the manner provided in its operating agreement or by
5722 law for amending the operating agreement, to be subject to this
5723 chapter.

5724 (2) Except as otherwise provided in subsection (3), on and
5725 after January 1, 2015 this chapter governs all limited liability
5726 companies.

5727 (3) For the purposes of applying this chapter to a limited
5728 liability company formed before January 1, 2014:

5729 (a) The company's articles of organization are deemed to
5730 be the company's articles of organization; and

5731 (b) For the purposes of applying s. 608.102(12) and
5732 subject to s. 608.112(4), language in the company's articles of
5733 organization designating the company's management structure
5734 operates as if that language were in the operating agreement.

5735 (4) All documents, instruments and other records submitted
5736 to the Department of State on or after January 1, 2014 must
5737 comply with the filing requirements stipulated by this chapter.

WORKING DRAFT A

ORIGINAL

YEAR

5738 Section 4. Effective January 1, 2015, Part I (the Florida
5739 Limited Liability Company Act) consisting of ss. 608.401-
5740 608.705, is repealed.

5741 Section 5. This act shall take effect January 1, 2014.

5742