

HB 1514 -- Series Limited Liability Companies

Sponsor: Wieland

This bill allows a limited liability company to establish in an operating agreement a designated series of transferable interests that have separate rights, powers, or duties with respect to specified property or obligations of the company. In its main provisions, the bill:

(1) Specifies under what circumstances the debts, liabilities, and obligations incurred, contracted for, or otherwise existing with respect to a particular series must be enforceable against the assets of that series only;

(2) Requires a series meeting certain conditions to be treated as a separate entity to the extent set forth in the articles of organization;

(3) Allows a member or manager to agree to be obligated personally for any or all of the debts, obligations, or liabilities of one or more series;

(4) Allows an operating agreement to provide for classes or groups of members or managers associated with a series having such relative rights, powers, and duties as the operating agreement provides or to provide for the future creation of additional classes or groups;

(5) Specifies when a series is member-managed and what rules applies to a member-managed series;

(6) Allows an action requiring the consent of the members of a series to be taken without a meeting and allows a member to appoint a proxy or other agent to act for the series member;

(7) Prohibits a person that wrongfully causes the dissolution of a series from participating in management as a series member or series manager;

(8) Requires distributions made by a series before its dissolution and winding up to be in equal shares among the series members and dissociated series members, except to the extent necessary to comply with Section 347.063, RSMo, and any charging order under Section 347.119;

(9) Prohibits a person from demanding or receiving a distribution from a series in any form other than money;

(10) Specifies when a series is prohibited from making a

distribution;

(11) Specifies when a member must cease to be associated with a series and to have the power to exercise any rights upon the assignment of all of the member's transferable interest with respect to the series;

(12) Allows a series to be terminated and its affairs wound up without causing the dissolution of the limited liability company; and

(13) Specifies what individuals are allowed to wind up the affairs of a series.