



Colorado Uniform Protected Series Act - HB20-1096

Representative Mark Baisley - Senator Jerry Sonnenberg & Senator Rob Woodward

Currently, twenty (20) States and Territories have Enacted Series Limited Liability Corporations (Series LLCs) or the Uniform Protected Series Act:

- Delaware (Incorporation Capital) enacted First Series LLCs (1996)
- Washington DC (Nation's Capital) also enacted Series LLCs (2011)

The Uniform Law Commission developed the Uniform Protected Series Act over nine-years with a final reading and approval in July, 2017:

- Recently Enacted: Nebraska (2018), Virginia (2019), & Arkansas (2019)
- Replaced Existing Legislation: Iowa (2019)
- In Current Legislation: Tennessee (2019) & Colorado (2020)

Colorado does not recognize Foreign Series Limited Liability Corporations despite adjacent States with Series LLCs Operating within Colorado:

- Kansas (2012), Utah (2013), Wyoming (2018), & Nebraska (2018)

Colorado Bar Association - Continuing Legal Education Series - "LLCs and Series Trusts" - October, 8, 2010:

"Considering the widespread use of Limited Liability Companies, Series Limited Liability Companies are particularly important to the business community because they can facilitate differentiation of ownership and management and segregation of assets and liabilities while avoiding the complexity and costs associated with forming separate entities for state law purposes."

Support Entrepreneurs & Small Business Owners with HB20-1096!!!



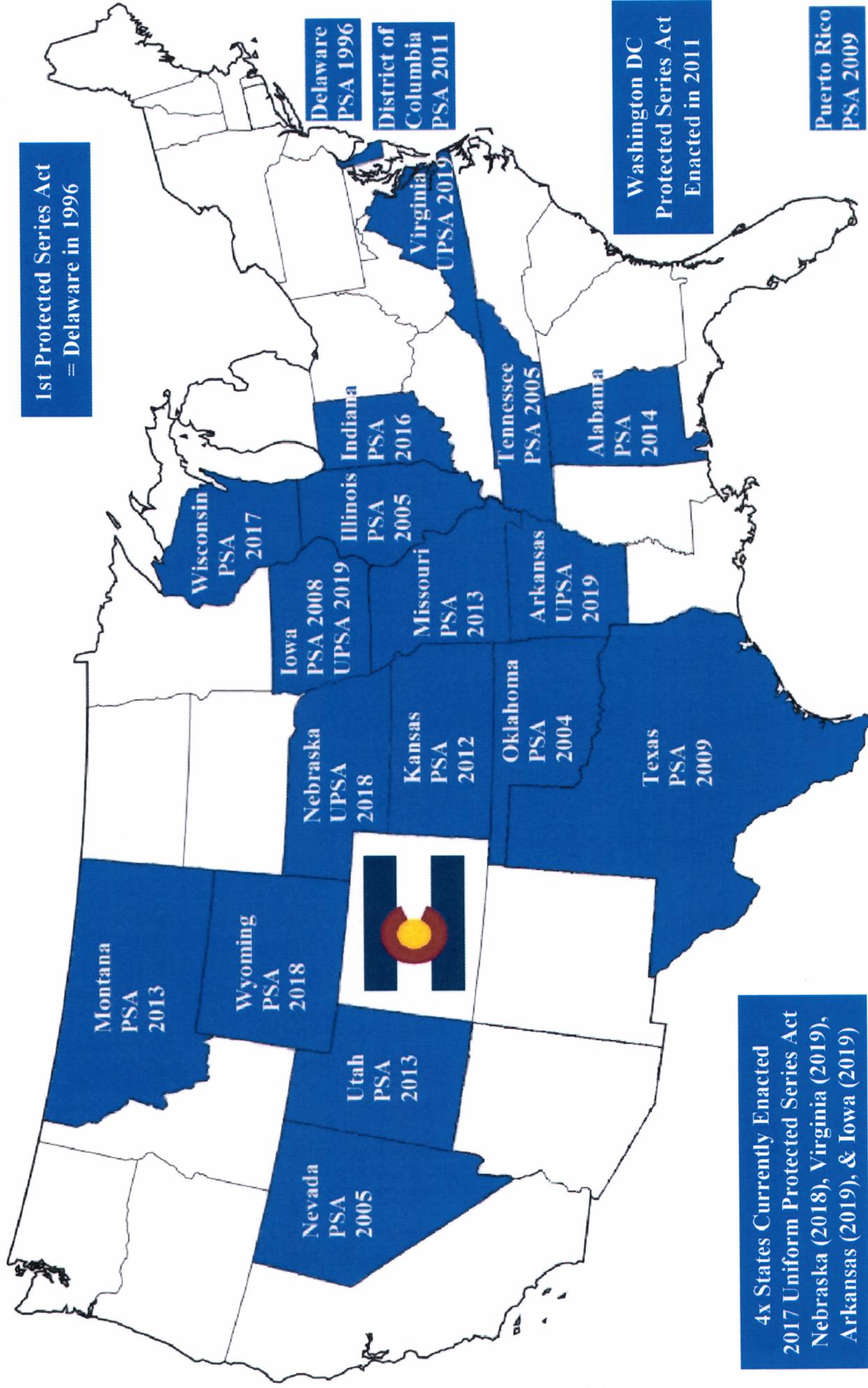
WHY YOUR STATE SHOULD ADOPT THE UNIFORM PROTECTED SERIES ACT (2017)

The Uniform Protected Series Act (UPSA) is the most comprehensive statute governing series limited liability companies. A series limited liability company offers the traditional vertical liability shield of a LLC, and a new, horizontal liability shield for protected series of the company. Some of the benefits of the UPSA are:

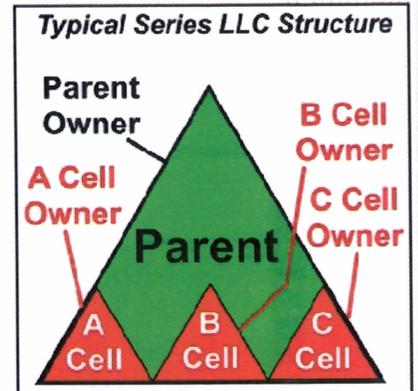
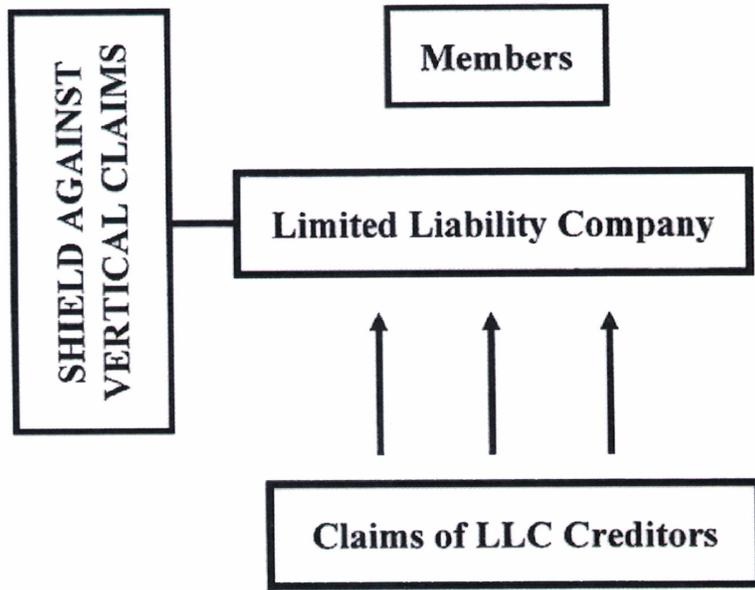
- ***Clarifies a new business entity concept.*** The series LLC is the most significant development in business entity law since the creation of the LLC. The UPSA is the most complete statute on series LLCs, covering everything from formation of a series LLC, to management, to dissolution.
- ***Requires transparency.*** LLCs that wish to establish protected series must file a protected series designation with the Secretary of State. Protected series naming requirements identify a protected series and indicate that it is part of a specific LLC. These requirements ensure the public has easy access to information about the company, including its protected series.
- ***Promotes good recordkeeping.*** The biggest advantage to creating a protected series is the special horizontal liability shield it forms, so judgment creditors of the LLC or another protected series of the LLC cannot access the protected series' assets. The UPSA requires diligent recordkeeping to "associate" a protected series' assets and maintain horizontal liability shields.
- ***Easily integrates into a state's existing limited liability company statute.*** The UPSA is a "module" to be plugged into a state's existing LLC statute. The UPSA is equally suitable for states that have the Uniform Limited Liability Company Act and states with non-uniform LLC statutes.

For further information about the UPSA, please contact ULC Legislative Counsel Libby Snyder at (312) 450-6619 or by email at lsnyder@uniformlaws.org.

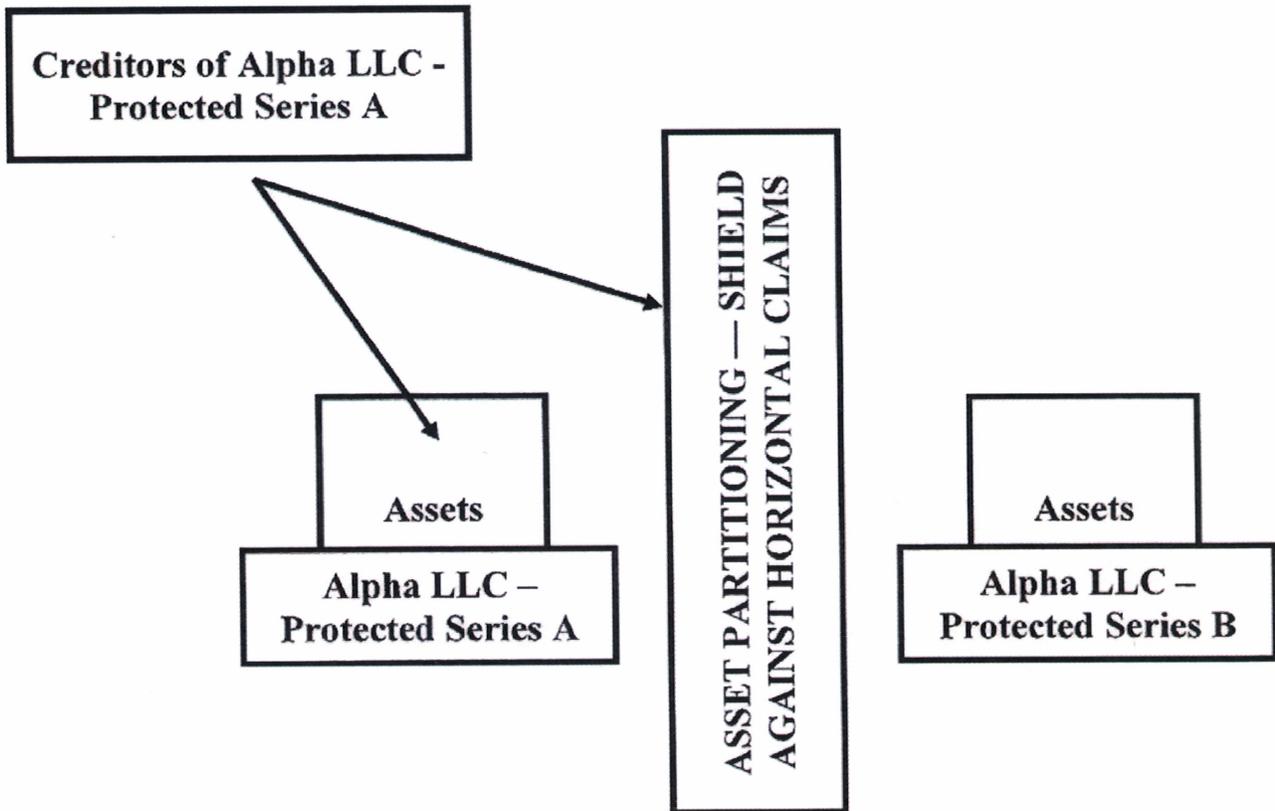
20 States & Territories with Protected Series Acts (PSA) or Enacted 2017 Uniform Protected Series Act (UPSA)



TRADITIONAL — “VERTICAL” — SHIELD



INTERNAL — “HORIZONTAL” — SHIELDS





THE UNIFORM PROTECTED SERIES ACT

- A Summary -

In response to the growing popularity of series limited liability companies in the United States, the Uniform Law Commission promulgated the Uniform Protected Series Act (UPSA). The UPSA is drafted as a “module” to be inserted into the enacting state’s existing LLC act and may be adopted whether or not the state’s LLC statute is based on the Uniform Limited Liability Company Act.

Article 1 contains general provisions, such as: definitions, a description of the nature of a protected series, as well as its power, purpose, and duration; how the protected series is governed by the operating agreement of the LLC; and rules for applying certain provisions of the state’s existing LLC act to protected series. The act uses the term “protected series” to highlight the internal liability shields which are a defining characteristic of the act, and to avoid confusion with the term “series,” which is often used to refer to classes of interests in business entities that do not affect liabilities to third parties. If the requirements of the UPSA are satisfied, then assets (referred to as “associated assets”) of one series are not available to satisfy claims of creditors of the LLC or of other protected series of the LLC.

Article 2 explains how to establish a protected series. As a default matter, all members must consent to establish a protected series. Further, the LLC must deliver a protected series designation to the Secretary of State, signed by the company. Article 2 also provides name, registered agent, and service of process provisions, as well as methods to obtain a certificate of good standing and reporting requirements.

Article 3 includes the record-keeping requirements that must be satisfied for an asset to qualify as an “associated asset” under the act. Unless provided otherwise in the operating agreement, the owner of an asset is responsible for meeting the record-keeping requirements for the asset. These provisions are designed to provide transparency of series transactions. Article 3 also provides rules for associating members with the protected series and addresses series transferable interests, management, and non-associated members’ rights to information.

Article 4 covers limitations on liability and enforcement of claims. The act provides two types of liability shields: vertical and horizontal. The traditional vertical shield protects equity holders and managers from status-based liability for an organization’s obligations. The horizontal shield protects a protected series of a series LLC and its associated assets from liability for the debts, obligations, or other liabilities of the company or another protected series of the company. This article contains provisions for claims seeking to disregard limitation of liability, protected series-level charging orders for judgment creditors, and enforcement of judgments against certain assets of the company. A creditor may enforce a judgment against another protected series of a series LLC by pursuing assets owned by the company or another protected series of the company if the act’s requirements are not satisfied for these other assets (or “non-associated assets”).

Article 5 addresses grounds for dissolution and provisions for winding up. Under the act, dissolution of a series LLC immediately dissolves every protected series of the company. Reinstatement of an administratively dissolved series or the rescinding of a voluntarily dissolved company has the same retroactive effect at the protected series level.

Article 6 includes restrictions on mergers and other entity transactions involving LLCs and protected series. The article provides additional definitions, and provides that a protected series may not be a party to an entity transaction. A series LLC may be a party to a merger if each other party to the merger is an LLC, and the surviving company is not created in a merger. Furthermore, Article 6 includes provisions dealing with plans, statements that must be filed with appropriate authorities, and effects of mergers. It also provides that a creditor's right that existed immediately before a merger may be enforced after the merger.

Article 7 addresses foreign protected series. The law of the jurisdiction of formation of a foreign series LLC governs certain aspects of a foreign protected series. Article 7 also provides guidelines for determining whether a foreign series LLC or foreign protected series of the company is doing business in the state. With respect to foreign LLCs, this act follows the common law approach and applies an enacting state's jurisprudence on piercing and affiliate liability companies and foreign protected series in carefully and narrowly delineated circumstances. The article also provides registration requirements for foreign protected series and disclosure requirements in cases where a foreign LLC or foreign protected series is a party to a proceeding in the state.

Article 8 contains miscellaneous provisions as well as transition rules for pre-existing series limited liability companies and protected series.

For further information about the UPSA, please contact ULC Legislative Counsel Libby Snyder at (312) 450-6619 or by email at lsnyder@uniformlaws.org.

Series Restrictions vs. Non-Series Affiliated Organizations

FEATURE	Uniform LLC Protective Series Act	ULLCA P/S, ETC.
Operating agreement	Protected series does not have its own operating agreement. The (operating agreement) OA of the series LLC functions as the OA of each protected series. The protected series act is the gap-filler; and if neither the series LLC or the protected series act deals with an issue, then the LLC act is applicable.	Each LLC in the affiliated group has its own OA. Each entity in the affiliated group that is not an LLC has its equivalent internal affairs document (partnership agreement, bylaws and /or shareholder management agreement in a corporation).
Formation	File protected series designation — amendment of series LLC certificate of formation.	Separate certificates of organization for parent and any affiliated organization.
Type of organization	Protected series must be an LLC.	Affiliated organization can be any type of corporate or unincorporated entity.
Name	Name of protected series must include the name of the series LLC at the beginning or the end, as well as the phrase “protected series” or an abbreviation (e.g. “PS”).	Name of each entity in the affiliated group must meet the usual requirements of the name requirements in the statute authorizing that type of entity.
Statutory agent for service of process	Protected series must have same agent as series LLC.	Separate statutory agents for each affiliated organizations possible.
Service of Process	Service of summons and complaint on the series LLC is effective notice of the complaint and the content of the complaint to all the protected series. Service of process on any protected series is effective notice to the series LLC and all the protected series of the series LLC of the complaint and the content of the notice.	Service of process must be made on the LLC and each of the affiliated entities and members and managers that are intended to be parties in the action. No imputed service on any other entity in the affiliated group.
Annual report	Part of series LLC annual report; must include the name of each protected series.	Separate annual reports for series LLC and all affiliated organizations.
Recordkeeping	Detailed statutory rules for associated property – series LLC must establish and maintain records that a disinterested reasonable person can identify as associated.	No similar statutory limitations — associated property concept unique to protected series. Normal recordkeeping rules apply.
Restrictions on membership	Yes. Only members of the series LLC can be associated members of a protected series of the series LLC.	No similar restriction; except there are some restrictions on who can be a member of an entity that is taxed under Subchapter S.

FEATURE	Uniform LLC Protective Series Act	ULLCA P/S, ETC.
Effect of dissociation of an associated member of a protected series from the series LLC	The associated member is automatically dissociated from every protected series where the dissociated member was an associated member.	Dissociation of a member of one of the affiliated entities has no effect on membership status in any other entity of the affiliated group.
Transferable interests	A protected series transferable interest must be owned initially by an associated member of the protected series; and if a protected series has no associated members at the time the protected series is established, the series LLC owns the entire transferable interest in the protected series.	No member required for formation of an LLC. After formation only a member (or the equivalent term) or former member of an entity in the affiliated group has a transferable interest.
Management	Default rule is that the series LLC is the manager of each protected series whenever the protected series has no associated members.	No similar default rule.
Enforcement of Judgment	Supplement proceedings against the series LLC and all protected series of the series LLC seeking to attach assets that are claimed to be owned by the protected series but are not associated assets of the protected series. Other remedies, e.g. charging order (subject to any restrictions in the state's LLC statute and voidable transfer law) are applicable.	Associated property concept is unique to protected series.
Continued existence after dissolution etc. of parent	No.	Yes.
Foreign series qualification to do business in another state	Foreign series can file a registration statement and are treated as if the series is a separate legal entity, <u>but</u> with these additional disclosure requirements: (1) the name and jurisdiction of the foreign series LLC that established the foreign series; (2) if the foreign series has other series, the name and contact information for every other series; and (3) the name and contact information for the manager(s) and agent for service of process for all the other series.	Each foreign entity of the affiliated group must file separate registration statements that do not have to contain the additional disclosures required for a protected series registration statement. In many existing state LLC statutes that have series provisions, a foreign protected series cannot file a foreign registration statement. The registration statement can only be filed the foreign series LLC.

FEATURE	Uniform LLC Protective Series Act	ULLCA P/S, ETC.
Disclosure requirements when the series LLC or any protected series of the series LLC is a party in an adjudicative tribunal in this state	Same requirements for a foreign series filing a registration statement in this state.	A foreign series cannot register. No special disclosure requirements for any of the affiliated entities that are named as parties to an adjudicative tribunal in this state.
Piercing	Yes, forward and reverse. However, no safe harbor for failure to observe formalities.	Yes. Specific safe harbor lack of formalities provision.
Ability of an affiliated entity group to form tiers of its own separate affiliated group	Protected series cannot have its own separate affiliated group, nor be an associated member of another protected series.	No similar restriction. Each entity in the affiliated group treated as an independent entity.
Merger, conversion, etc.,	No. Only alternative is to dissolve.	Yes.



Legislative Council Staff

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FISCAL NOTE

Drafting Number: LLS 20-0365 Date: February 17, 2020
Prime Sponsors: Rep. Baisley Bill Status: House Judiciary
Sen. Sonnenberg; Woodward Fiscal Analyst: Erin Reynolds | 303-866-4146
Erin.Reynolds@state.co.us

Bill Topic: AUTHORIZE PROTECTED SERIES OF LIMITED LIABILITY COMPANY

- Summary of Fiscal Impact:
- State Revenue (checked)
- State Expenditure (checked)
- State Transfer (unchecked)
- TABOR Refund (checked)
- Local Government (unchecked)
- Statutory Public Entity (unchecked)

This bill enacts the Uniform Protected Series Act. It will increase state expenditures in FY 2020-21 only and impact state revenue on an ongoing basis.

Appropriation Summary: For FY 2020-21, the bill requires an appropriation of \$457,303 to the Department of State.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 20-1096

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total, Total FTE), Transfers, and TABOR Refund.

Summary of Legislation

This bill enacts the Uniform Protected Series Act (UPSA) effective January 1, 2021. It authorizes the creation of a new type of limited liability company (LLC), called a series LLC. A series LLC is an LLC composed of at least one "protected series." If the UPSA's requirements are satisfied, the assets of a protected series in a series LLC cannot be used to satisfy a creditor claims against any other protected series in the series LLC or the series LLC itself. The bill outlines general provisions on establishing a protected series; record-keeping requirements; membership criteria; limitations on liability and enforcement of claims; types of liability shields; dissolution and transition processes; and transactional restrictions.

State Revenue

The bill will impact state cash fund revenue to the Department of State Cash Fund. Any series LLC filing would increase revenue; however, revenue may be reduced to the extent that a series LLC is no longer required to file separate periodic reporting for each LLC that belongs to a protected series. For informational purposes, the current fee to form an additional LLC is \$50 and the periodic report filing fee is \$10. Because the fiscal note identifies a significant expenditure relative to the department's budget, it is anticipated that fees will be adjusted through the department's normal process to bring in revenue to cover the costs under the bill.

State Expenditures

The bill will increase state cash fund expenditures from the Department of State Cash Fund by \$460,239 and 0.2 FTE in FY 2020-21 only, as shown in Table 2 and discussed below.

Table 2
Expenditures Under HB 20-1096

	FY 2020-21	FY 2021-22
Department of State		
Personal Services	\$9,303	-
Computer Programming	\$448,000	-
Centrally Appropriated Costs*	\$2,936	-
Total Cost	\$460,239	-
Total FTE	0.2 FTE	-

* Centrally appropriated costs are not included in the bill's appropriation.

Department of State. The department requires 4,000 hours of computer programming at the developer rate of \$112 to create an estimated 21 new business forms. The department will also require 0.2 FTE Analyst to draft forms, conduct testing, update the department's website, and train staff.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$2,936 in FY 2020-21.

TABOR refund. Any increase in fee revenue will increase state General Fund obligations for TABOR refunds, when applicable. A revenue increase has not been estimated.

Technical Note

The effective date of January 1, 2021, does not allow the department sufficient time to accomplish computer programming changes required under the bill. The fiscal note has shown the costs to implement the bill assuming a July 1, 2020, effective date and a July 1, 2021, program implementation date.

Effective Date

The bill takes effect January 1, 2021, if no referendum petition is filed.

State Appropriations

The bill requires an appropriation of \$457,303 and 0.2 FTE from the Department of State Cash Fund to the Department of State.

State and Local Government Contacts

Judicial

Law

Regulatory Agencies

Secretary of State

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Judiciary.

HB20-1096 be amended as follows:

- 1 Amend printed bill, page 5, strike line 27.
- 2 Page 6, strike lines 1 through 4.
- 3 Renumber succeeding subsections accordingly.
- 4 Page 16, line 5, strike "DESIGNATION, SIGNED BY THE COMPANY," and
5 substitute "DESIGNATION".
- 6 Page 16, lines 12 and 13, strike "CHANGE, SIGNED BY THE COMPANY," and
7 substitute "CHANGE".
- 8 Page 17, line 11, strike "SIGNS" and substitute "DELIVERS".
- 9 Page 17, line 12, strike "DELIVERED".
- 10 Page 20, strike lines 18 through 20 and substitute:
11 "(c) THAT ANY LATE FEE OWED BY THE PROTECTED SERIES OR
12 FOREIGN PROTECTED SERIES PURSUANT TO SECTION 7-90-501 (7) HAS BEEN
13 PAID, IF:".
- 14 Page 34, line 2, strike "ADMINISTRATIVELY".
- 15 Page 37, line 20, strike "INCLUDE AS AN ATTACHMENT" and substitute "BE
16 FILED WITH".
- 17 Page 37, strike line 24 and substitute "TERMINATION;".
- 18 Page 38, strike line 7 and substitute "DESIGNATION.".
- 19 Page 49, line 7, strike "January 1, 2021;" and substitute "July 1, 2022;".
- 20 Page 49, strike lines 13 and 14 and substitute "effect July 1, 2022.".
- 21 Strike "SIGN AND" on: **Page 13**, line 25; and **Page 48**, line 12.
- 22 Strike "SIGNED BY" and substitute "FOR" on: **Page 37**, line 27; and **Page**
23 **38**, line 3.

** *** ** *** **

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20-0365.01 Thomas Morris x4218

HOUSE BILL 20-1096

HOUSE SPONSORSHIP

Baisley, Ransom

SENATE SPONSORSHIP

Sonnenberg,

House Committees
Judiciary

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE AUTHORIZATION TO ESTABLISH A PROTECTED
102 SERIES OF A SERIES LIMITED LIABILITY COMPANY, AND, IN
103 CONNECTION THEREWITH, ENACTING THE "UNIFORM
104 PROTECTED SERIES ACT".

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

In response to the growing popularity of series limited liability companies (series LLCs) in the United States, in 2017 the Uniform Law Commission promulgated the "Uniform Protected Series Act" (UPSA or

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 "UNIFORM PROTECTED SERIES ACT".

2 **7-80-1202. Definitions.** AS USED IN THIS PART 12, UNLESS THE
3 CONTEXT REQUIRES OTHERWISE:

4 (1) "ACQUIRED ENTITY" MEANS THE ENTITY, ALL OF ONE OR MORE
5 CLASSES OR SERIES OF INTERESTS OF WHICH ARE ACQUIRED IN AN
6 INTEREST EXCHANGE.

7 (2) "ACQUIRING ENTITY" MEANS THE ENTITY THAT ACQUIRES ALL
8 OF ONE OR MORE CLASSES OR SERIES OF INTERESTS OF THE ACQUIRED
9 ENTITY IN AN INTEREST EXCHANGE.

10 (3) "ASSET" MEANS PROPERTY:

11 (a) IN WHICH A SERIES LIMITED LIABILITY COMPANY OR PROTECTED
12 SERIES HAS RIGHTS; OR

13 (b) AS TO WHICH THE COMPANY OR PROTECTED SERIES HAS THE
14 POWER TO TRANSFER RIGHTS.

15 (4) "ASSOCIATED ASSET" MEANS AN ASSET THAT MEETS THE
16 REQUIREMENTS OF SECTION 7-80-1231.

17 (5) "ASSOCIATED MEMBER" MEANS A MEMBER THAT MEETS THE
18 REQUIREMENTS OF SECTION 7-80-1232.

19 (6) "CONVERTED ENTITY" MEANS THE CONVERTING ENTITY AS IT
20 CONTINUES IN EXISTENCE AFTER A CONVERSION.

21 (7) "CONVERTING ENTITY" MEANS THE DOMESTIC ENTITY THAT
22 APPROVES A PLAN OF CONVERSION PURSUANT TO SECTION 7-90-201.4 OR
23 THE FOREIGN ENTITY THAT APPROVES A CONVERSION PURSUANT TO THE
24 LAW OF ITS JURISDICTION OF FORMATION.

25 (8) "FOREIGN LIMITED LIABILITY COMPANY" MEANS AN
26 UNINCORPORATED ENTITY FORMED UNDER THE LAW OF A JURISDICTION
27 OTHER THAN THIS STATE WHICH WOULD BE A LIMITED LIABILITY COMPANY

1 IF FORMED UNDER THE LAW OF THIS STATE.

2 (9) "FOREIGN PROTECTED SERIES" MEANS AN ARRANGEMENT,
3 CONFIGURATION, OR OTHER STRUCTURE ESTABLISHED BY A FOREIGN
4 LIMITED LIABILITY COMPANY WHICH HAS ATTRIBUTES COMPARABLE TO A
5 PROTECTED SERIES ESTABLISHED UNDER THIS PART 12. THE TERM APPLIES
6 WHETHER OR NOT THE LAW UNDER WHICH THE FOREIGN COMPANY IS
7 ORGANIZED REFERS TO "PROTECTED SERIES".

8 (10) "FOREIGN SERIES LIMITED LIABILITY COMPANY" MEANS A
9 FOREIGN LIMITED LIABILITY COMPANY THAT HAS AT LEAST ONE FOREIGN
10 PROTECTED SERIES.

11 (11) "JURISDICTION OF FORMATION" MEANS THE JURISDICTION
12 WHOSE LAW GOVERNS THE INTERNAL AFFAIRS OF AN ENTITY.

13 (12) "NONASSOCIATED ASSET" MEANS:

14 (a) AN ASSET OF A SERIES LIMITED LIABILITY COMPANY WHICH IS
15 NOT AN ASSOCIATED ASSET OF THE COMPANY; OR

16 (b) AN ASSET OF A PROTECTED SERIES OF THE COMPANY WHICH IS
17 NOT AN ASSOCIATED ASSET OF THE PROTECTED SERIES.

18 (13) "PERSON":

19 (a) MEANS AN INDIVIDUAL, BUSINESS CORPORATION, NONPROFIT
20 CORPORATION, PARTNERSHIP, LIMITED PARTNERSHIP, LIMITED LIABILITY
21 COMPANY, LIMITED COOPERATIVE ASSOCIATION, UNINCORPORATED
22 NONPROFIT ASSOCIATION, STATUTORY TRUST, BUSINESS TRUST,
23 COMMON-LAW BUSINESS TRUST, ESTATE, TRUST, ASSOCIATION, JOINT
24 VENTURE, PUBLIC CORPORATION, GOVERNMENT OR GOVERNMENTAL
25 SUBDIVISION, AGENCY, OR INSTRUMENTALITY, OR ANY OTHER LEGAL OR
26 COMMERCIAL ENTITY; AND

27 (b) INCLUDES A PROTECTED SERIES.

1 (14) "PROPERTY" MEANS ALL PROPERTY, WHETHER REAL,
2 PERSONAL, OR MIXED OR TANGIBLE OR INTANGIBLE, OR ANY RIGHT OR
3 INTEREST IN THE PROPERTY.

4 (15) "PROTECTED SERIES", EXCEPT IN THE PHRASE "FOREIGN
5 PROTECTED SERIES", MEANS A PROTECTED SERIES ESTABLISHED UNDER
6 SECTION 7-80-1221.

7 (16) "PROTECTED-SERIES MANAGER" MEANS A PERSON UNDER
8 WHOSE AUTHORITY THE POWERS OF A PROTECTED SERIES ARE EXERCISED
9 AND UNDER WHOSE DIRECTION THE ACTIVITIES AND AFFAIRS OF THE
10 PROTECTED SERIES ARE MANAGED UNDER THE OPERATING AGREEMENT,
11 THIS PART 12, AND THIS ARTICLE 80.

12 (17) "PROTECTED-SERIES TRANSFERABLE INTEREST" MEANS A
13 RIGHT TO RECEIVE A DISTRIBUTION FROM A PROTECTED SERIES.

14 (18) "PROTECTED-SERIES TRANSFEREE" MEANS A PERSON TO
15 WHICH ALL OR PART OF A PROTECTED-SERIES TRANSFERABLE INTEREST OF
16 A PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY HAS BEEN
17 TRANSFERRED, OTHER THAN THE COMPANY. THE TERM INCLUDES A
18 PERSON THAT OWNS A PROTECTED-SERIES TRANSFERABLE INTEREST AS A
19 RESULT OF CEASING TO BE AN ASSOCIATED MEMBER OF A PROTECTED
20 SERIES.

21 (19) "RECORD", USED AS A NOUN, MEANS INFORMATION THAT IS
22 INSCRIBED ON A TANGIBLE MEDIUM OR THAT IS STORED IN AN ELECTRONIC
23 OR OTHER MEDIUM AND IS RETRIEVABLE IN PERCEIVABLE FORM.

24 (20) "SERIES LIMITED LIABILITY COMPANY", EXCEPT IN THE
25 PHRASE "FOREIGN SERIES LIMITED LIABILITY COMPANY", MEANS A LIMITED
26 LIABILITY COMPANY THAT HAS AT LEAST ONE PROTECTED SERIES.

27 (21) "SIGN" MEANS, WITH PRESENT INTENT TO AUTHENTICATE OR

1 ADOPT A RECORD:

2 (a) TO EXECUTE OR ADOPT A TANGIBLE SYMBOL; OR

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

5 (22) "STATE" MEANS A STATE OF THE UNITED STATES, THE
6 DISTRICT OF COLUMBIA, PUERTO RICO, THE UNITED STATES VIRGIN
7 ISLANDS, OR ANY TERRITORY OR INSULAR POSSESSION SUBJECT TO THE
8 JURISDICTION OF THE UNITED STATES.

9 (23) "TRANSFER" INCLUDES:

10 (a) AN ASSIGNMENT;

11 (b) A CONVEYANCE;

12 (c) A SALE;

13 (d) A LEASE;

14 (e) AN ENCUMBRANCE, INCLUDING A MORTGAGE OR SECURITY
15 INTEREST;

16 (f) A GIFT; AND

17 (g) A TRANSFER BY OPERATION OF LAW.

18 (24) "TRANSFERABLE INTEREST" MEANS THE RIGHT, AS INITIALLY
19 OWNED BY A PERSON IN THE PERSON'S CAPACITY AS A MEMBER, TO
20 RECEIVE DISTRIBUTIONS FROM A LIMITED LIABILITY COMPANY, WHETHER
21 OR NOT THE PERSON REMAINS A MEMBER OR CONTINUES TO OWN ANY PART
22 OF THE RIGHT. THE TERM APPLIES TO ANY FRACTION OF THE INTEREST, BY
23 WHOMEVER OWNED.

24 (25) "TRANSFeree" MEANS A PERSON TO WHICH ALL OR PART OF
25 A TRANSFERABLE INTEREST HAS BEEN TRANSFERRED, WHETHER OR NOT
26 THE TRANSFEROR IS A MEMBER.

27 **7-80-1203. Nature of protected series.** (1) A PROTECTED SERIES

1 OF A SERIES LIMITED LIABILITY COMPANY IS A PERSON DISTINCT FROM:

2 (a) THE COMPANY, SUBJECT TO SECTIONS 7-80-1204(3), 7-80-1251
3 (1), AND 7-80-1252 (3);

4 (b) ANOTHER PROTECTED SERIES OF THE COMPANY;

5 (c) A MEMBER OF THE COMPANY, WHETHER OR NOT THE MEMBER
6 IS AN ASSOCIATED MEMBER OF THE PROTECTED SERIES;

7 (d) A PROTECTED-SERIES TRANSFEREE OF A PROTECTED SERIES OF
8 THE COMPANY; AND

9 (e) A TRANSFEREE OF A TRANSFERABLE INTEREST OF THE
10 COMPANY.

11 **7-80-1204. Powers and duration of protected series.** (1) A
12 PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY HAS THE
13 CAPACITY TO SUE AND BE SUED IN ITS OWN NAME.

14 (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (3) AND (4)
15 OF THIS SECTION, A PROTECTED SERIES OF A SERIES LIMITED LIABILITY
16 COMPANY HAS THE SAME POWERS AND PURPOSES AS THE COMPANY.

17 (3) A PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY
18 CEASES TO EXIST NOT LATER THAN WHEN THE COMPANY COMPLETES ITS
19 WINDING UP.

20 (4) A PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY
21 MAY NOT:

22 (a) BE A MEMBER OF THE COMPANY;

23 (b) ESTABLISH A PROTECTED SERIES; OR

24 (c) EXCEPT AS PERMITTED BY LAW OF THIS STATE OTHER THAN
25 THIS PART 12, HAVE A PURPOSE OR POWER THAT THE LAW OF THIS STATE
26 OTHER THAN THIS PART 12 PROHIBITS A LIMITED LIABILITY COMPANY
27 FROM DOING OR HAVING.

1 **7-80-1205. Governing law.** (1) THE LAW OF THIS STATE
2 GOVERNS:

3 (a) THE INTERNAL AFFAIRS OF A PROTECTED SERIES OF A SERIES
4 LIMITED LIABILITY COMPANY, INCLUDING:

5 (I) RELATIONS AMONG ANY ASSOCIATED MEMBERS OF THE
6 PROTECTED SERIES;

7 (II) RELATIONS AMONG THE PROTECTED SERIES AND:

8 (A) ANY ASSOCIATED MEMBER;

9 (B) THE PROTECTED-SERIES MANAGER; OR

10 (C) ANY PROTECTED-SERIES TRANSFEREE;

11 (III) RELATIONS BETWEEN ANY ASSOCIATED MEMBER AND:

12 (A) THE PROTECTED-SERIES MANAGER; OR

13 (B) ANY PROTECTED-SERIES TRANSFEREE;

14 (IV) THE RIGHTS AND DUTIES OF A PROTECTED-SERIES MANAGER;

15 (V) GOVERNANCE DECISIONS AFFECTING THE ACTIVITIES AND
16 AFFAIRS OF THE PROTECTED SERIES AND THE CONDUCT OF THOSE
17 ACTIVITIES AND AFFAIRS; AND

18 (VI) PROCEDURES AND CONDITIONS FOR BECOMING AN
19 ASSOCIATED MEMBER OR PROTECTED-SERIES TRANSFEREE;

20 (b) THE RELATIONS BETWEEN A PROTECTED SERIES OF A SERIES
21 LIMITED LIABILITY COMPANY AND EACH OF THE FOLLOWING:

22 (I) THE COMPANY;

23 (II) ANOTHER PROTECTED SERIES OF THE COMPANY;

24 (III) A MEMBER OF THE COMPANY WHICH IS NOT AN ASSOCIATED
25 MEMBER OF THE PROTECTED SERIES;

26 (IV) A PROTECTED-SERIES MANAGER THAT IS NOT A
27 PROTECTED-SERIES MANAGER OF THE PROTECTED SERIES; AND

1 (V) A PROTECTED-SERIES TRANSFEREE THAT IS NOT A
2 PROTECTED-SERIES TRANSFEREE OF THE PROTECTED SERIES;

3 (c) THE LIABILITY OF A PERSON FOR A DEBT, OBLIGATION, OR
4 OTHER LIABILITY OF A PROTECTED SERIES OF A SERIES LIMITED LIABILITY
5 COMPANY IF THE DEBT, OBLIGATION, OR LIABILITY IS ASSERTED SOLELY BY
6 REASON OF THE PERSON BEING OR ACTING AS:

7 (I) AN ASSOCIATED MEMBER, PROTECTED-SERIES TRANSFEREE, OR
8 PROTECTED-SERIES MANAGER OF THE PROTECTED SERIES;

9 (II) A MEMBER OF THE COMPANY WHICH IS NOT AN ASSOCIATED
10 MEMBER OF THE PROTECTED SERIES;

11 (III) A PROTECTED-SERIES MANAGER THAT IS NOT A
12 PROTECTED-SERIES MANAGER OF THE PROTECTED SERIES;

13 (IV) A PROTECTED-SERIES TRANSFEREE THAT IS NOT A
14 PROTECTED-SERIES TRANSFEREE OF THE PROTECTED SERIES;

15 (V) A MANAGER OF THE COMPANY; OR

16 (VI) A TRANSFEREE OF A TRANSFERABLE INTEREST OF THE
17 COMPANY;

18 (d) THE LIABILITY OF A SERIES LIMITED LIABILITY COMPANY FOR
19 A DEBT, OBLIGATION, OR OTHER LIABILITY OF A PROTECTED SERIES OF THE
20 COMPANY IF THE DEBT, OBLIGATION, OR LIABILITY IS ASSERTED SOLELY BY
21 REASON OF THE COMPANY:

22 (I) HAVING DELIVERED TO THE SECRETARY OF STATE FOR FILING
23 UNDER SECTION 7-80-1221 (2) A PROTECTED SERIES DESIGNATION
24 PERTAINING TO THE PROTECTED SERIES OR UNDER SECTION 7-80-1221 (4)
25 OR 7-80-1222 (3) A STATEMENT OF DESIGNATION CHANGE PERTAINING TO
26 THE PROTECTED SERIES;

27 (II) BEING OR ACTING AS A PROTECTED-SERIES MANAGER OF THE

1 PROTECTED SERIES;

2 (III) HAVING THE PROTECTED SERIES BE OR ACT AS A MANAGER OF
3 THE COMPANY; OR

4 (IV) OWNING A PROTECTED-SERIES TRANSFERABLE INTEREST OF
5 THE PROTECTED SERIES; AND

6 (e) THE LIABILITY OF A PROTECTED SERIES OF A SERIES LIMITED
7 LIABILITY COMPANY FOR A DEBT, OBLIGATION, OR OTHER LIABILITY OF THE
8 COMPANY OR OF ANOTHER PROTECTED SERIES OF THE COMPANY IF THE
9 DEBT, OBLIGATION, OR LIABILITY IS ASSERTED SOLELY BY REASON OF:

10 (I) THE PROTECTED SERIES:

11 (A) BEING A PROTECTED SERIES OF THE COMPANY OR HAVING AS
12 A PROTECTED-SERIES MANAGER THE COMPANY OR ANOTHER PROTECTED
13 SERIES OF THE COMPANY; OR

14 (B) BEING OR ACTING AS A PROTECTED-SERIES MANAGER OF
15 ANOTHER PROTECTED SERIES OF THE COMPANY OR A MANAGER OF THE
16 COMPANY; OR

17 (II) THE COMPANY OWNING A PROTECTED-SERIES TRANSFERABLE
18 INTEREST OF THE PROTECTED SERIES.

19 **7-80-1206. Relation of operating agreement, this part 12, and**
20 **this article 80.** (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION
21 AND SUBJECT TO SECTIONS 7-80-1207 AND 7-80-1208, THE OPERATING
22 AGREEMENT OF A SERIES LIMITED LIABILITY COMPANY GOVERNS:

23 (a) THE INTERNAL AFFAIRS OF A PROTECTED SERIES, INCLUDING:

24 (I) RELATIONS AMONG ANY ASSOCIATED MEMBERS OF THE
25 PROTECTED SERIES;

26 (II) RELATIONS AMONG THE PROTECTED SERIES AND:

27 (A) ANY ASSOCIATED MEMBER;

- 1 (B) THE PROTECTED-SERIES MANAGER; OR
- 2 (C) ANY PROTECTED-SERIES TRANSFEREE;
- 3 (III) RELATIONS BETWEEN ANY ASSOCIATED MEMBER AND:
 - 4 (A) THE PROTECTED-SERIES MANAGER; OR
 - 5 (B) ANY PROTECTED-SERIES TRANSFEREE;
 - 6 (IV) THE RIGHTS AND DUTIES OF A PROTECTED-SERIES MANAGER;
 - 7 (V) GOVERNANCE DECISIONS AFFECTING THE ACTIVITIES AND
 - 8 AFFAIRS OF THE PROTECTED SERIES AND THE CONDUCT OF THOSE
 - 9 ACTIVITIES AND AFFAIRS; AND
 - 10 (VI) PROCEDURES AND CONDITIONS FOR BECOMING AN
 - 11 ASSOCIATED MEMBER OR PROTECTED-SERIES TRANSFEREE;
 - 12 (b) RELATIONS AMONG THE PROTECTED SERIES, THE COMPANY,
 - 13 AND ANY OTHER PROTECTED SERIES OF THE COMPANY;
 - 14 (c) RELATIONS BETWEEN:
 - 15 (I) THE PROTECTED SERIES, ITS PROTECTED-SERIES MANAGER, ANY
 - 16 ASSOCIATED MEMBER OF THE PROTECTED SERIES, OR ANY
 - 17 PROTECTED-SERIES TRANSFEREE OF THE PROTECTED SERIES; AND
 - 18 (II) A PERSON IN THE PERSON'S CAPACITY AS:
 - 19 (A) A MEMBER OF THE COMPANY WHICH IS NOT AN ASSOCIATED
 - 20 MEMBER OF THE PROTECTED SERIES;
 - 21 (B) A PROTECTED-SERIES TRANSFEREE OR PROTECTED-SERIES
 - 22 MANAGER OF ANOTHER PROTECTED SERIES; OR
 - 23 (C) A TRANSFEREE OF THE COMPANY.
 - 24 (2) IF THIS ARTICLE 80 RESTRICTS THE POWER OF AN OPERATING
 - 25 AGREEMENT TO AFFECT A MATTER, THE RESTRICTION APPLIES TO A
 - 26 MATTER UNDER THIS PART 12 IN ACCORDANCE WITH SECTION 7-80-1208.
 - 27 (3) IF LAW OF THIS STATE OTHER THAN THIS PART 12 IMPOSES A

1 PROHIBITION, LIMITATION, REQUIREMENT, CONDITION, OBLIGATION,
2 LIABILITY, OR OTHER RESTRICTION ON A LIMITED LIABILITY COMPANY, A
3 MEMBER, MANAGER, OR OTHER AGENT OF THE COMPANY, OR A
4 TRANSFEREE OF THE COMPANY, EXCEPT AS OTHERWISE PROVIDED IN LAW
5 OF THIS STATE OTHER THAN THIS PART 12, THE RESTRICTION APPLIES IN
6 ACCORDANCE WITH SECTION 7-80-1208.

7 (4) EXCEPT AS OTHERWISE PROVIDED IN SECTION 7-80-1207, IF THE
8 OPERATING AGREEMENT OF A SERIES LIMITED LIABILITY COMPANY DOES
9 NOT PROVIDE FOR A MATTER DESCRIBED IN SUBSECTION (1) OF THIS
10 SECTION IN A MANNER PERMITTED BY THIS PART 12, THE MATTER IS
11 DETERMINED IN ACCORDANCE WITH THE FOLLOWING RULES:

12 (a) TO THE EXTENT THIS PART 12 ADDRESSES THE MATTER, THIS
13 PART 12 GOVERNS.

14 (b) TO THE EXTENT THIS PART 12 DOES NOT ADDRESS THE MATTER,
15 THIS PART 12 GOVERNS THE MATTER IN ACCORDANCE WITH SECTION
16 7-80-1208.

17 **7-80-1207. Additional limitations on operating agreement.**

18 (1) AN OPERATING AGREEMENT MAY NOT VARY THE EFFECT OF:

19 (a) THIS SECTION;

20 (b) SECTION 7-80-1203;

21 (c) SECTION 7-80-1204 (1);

22 (d) SECTION 7-80-1204 (2) TO PROVIDE A PROTECTED SERIES A
23 POWER BEYOND THE POWERS THAT THIS ARTICLE 80 PROVIDES A LIMITED
24 LIABILITY COMPANY;

25 (e) SECTION 7-80-1204 (3) OR (4);

26 (f) SECTION 7-80-1205;

27 (g) SECTION 7-80-1206;

- 1 (h) SECTION 7-80-1208;
- 2 (i) SECTION 7-80-1221, EXCEPT TO VARY THE MANNER IN WHICH
3 A LIMITED LIABILITY COMPANY APPROVES ESTABLISHING A PROTECTED
4 SERIES;
- 5 (j) SECTION 7-80-1222;
- 6 (k) SECTION 7-80-1231;
- 7 (l) SECTION 7-80-1232;
- 8 (m) SECTION 7-80-1233 (1) OR (2);
- 9 (n) SECTION 7-80-1234 (3), (6), OR (7);
- 10 (o) SECTION 7-80-1241, EXCEPT TO DECREASE OR ELIMINATE A
11 LIMITATION OF LIABILITY STATED IN SECTION 7-80-1241;
- 12 (p) SECTION 7-80-1242;
- 13 (q) SECTION 7-80-1243;
- 14 (r) SECTION 7-80-1244;
- 15 (s) SECTION 7-80-1251 (1)(a), (1)(d), AND (1)(e);
- 16 (t) SECTION 7-80-1252, EXCEPT TO DESIGNATE A DIFFERENT
17 PERSON TO MANAGE WINDING UP;
- 18 (u) SECTION 7-80-1253;
- 19 (v) SUBPART 6 OF THIS PART 12;
- 20 (w) SUBPART 7 OF THIS PART 12;
- 21 (x) SUBPART 8 OF THIS PART 12, EXCEPT TO VARY:
- 22 (I) THE MANNER IN WHICH A SERIES LIMITED LIABILITY COMPANY
23 MAY ELECT UNDER SECTION 7-80-1283 (1)(b) TO BE SUBJECT TO THIS PART
24 12; OR
- 25 (II) THE PERSON THAT HAS THE RIGHT TO SIGN AND DELIVER TO
26 THE SECRETARY OF STATE FOR FILING A RECORD UNDER SECTION
27 7-80-1283 (2)(b); OR

1 (y) A PROVISION OF THIS PART 12 PERTAINING TO:
2 (I) REGISTERED AGENTS; OR
3 (II) THE SECRETARY OF STATE, INCLUDING PROVISIONS
4 PERTAINING TO RECORDS AUTHORIZED OR REQUIRED TO BE DELIVERED TO
5 THE SECRETARY OF STATE FOR FILING UNDER THIS PART 12.

6 (2) AN OPERATING AGREEMENT MAY NOT UNREASONABLY
7 RESTRICT THE DUTIES AND RIGHTS UNDER SECTION 7-80-1235 BUT MAY
8 IMPOSE REASONABLE RESTRICTIONS ON THE AVAILABILITY AND USE OF
9 INFORMATION OBTAINED UNDER SECTION 7-80-1235 AND MAY PROVIDE
10 APPROPRIATE REMEDIES, INCLUDING LIQUIDATED DAMAGES, FOR A
11 BREACH OF ANY REASONABLE RESTRICTION ON USE.

12 **7-80-1208. Rules for applying this article 80 to specified**
13 **provisions of this part 12.** (1) EXCEPT AS OTHERWISE PROVIDED IN
14 SUBSECTION (2) OF THIS SECTION AND SECTION 7-80-1207, THE
15 FOLLOWING RULES APPLY IN APPLYING SECTIONS 7-80-1206, 7-80-1234(3)
16 AND (6), 7-80-1251 (1)(d)(I), 7-80-1252 (1), AND 7-80-1253 (1)(b):

17 (a) A PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY
18 IS DEEMED TO BE A LIMITED LIABILITY COMPANY THAT IS FORMED
19 SEPARATELY FROM THE SERIES LIMITED LIABILITY COMPANY AND IS
20 DISTINCT FROM THE SERIES LIMITED LIABILITY COMPANY AND ANY OTHER
21 PROTECTED SERIES OF THE SERIES LIMITED LIABILITY COMPANY.

22 (b) AN ASSOCIATED MEMBER OF THE PROTECTED SERIES IS DEEMED
23 TO BE A MEMBER OF THE COMPANY DEEMED TO EXIST UNDER SUBSECTION
24 (1)(a) OF THIS SECTION.

25 (c) A PROTECTED-SERIES TRANSFEREE OF THE PROTECTED SERIES
26 IS DEEMED TO BE A TRANSFEREE OF THE COMPANY DEEMED TO EXIST
27 UNDER SUBSECTION (1)(a) OF THIS SECTION.

1 (d) A PROTECTED-SERIES TRANSFERABLE INTEREST OF THE
2 PROTECTED SERIES IS DEEMED TO BE A TRANSFERABLE INTEREST OF THE
3 COMPANY DEEMED TO EXIST UNDER SUBSECTION (1)(a) OF THIS SECTION.

4 (e) A PROTECTED-SERIES MANAGER IS DEEMED TO BE A MANAGER
5 OF THE COMPANY DEEMED TO EXIST UNDER SUBSECTION (1)(a) OF THIS
6 SECTION.

7 (f) AN ASSET OF THE PROTECTED SERIES IS DEEMED TO BE AN
8 ASSET OF THE COMPANY DEEMED TO EXIST UNDER SUBSECTION (1)(a) OF
9 THIS SECTION, WHETHER OR NOT THE ASSET IS AN ASSOCIATED ASSET OF
10 THE PROTECTED SERIES.

11 (g) ANY CREDITOR OR OTHER OBLIGEE OF THE PROTECTED SERIES
12 IS DEEMED TO BE A CREDITOR OR OBLIGEE OF THE COMPANY DEEMED TO
13 EXIST UNDER SUBSECTION (1)(a) OF THIS SECTION.

14 (2) SUBSECTION (1) OF THIS SECTION DOES NOT APPLY IF ITS
15 APPLICATION WOULD:

16 (a) CONTRAVENE SECTION 7-80-108; OR

17 (b) AUTHORIZE OR REQUIRE THE SECRETARY OF STATE TO:

18 (I) ACCEPT FOR FILING A TYPE OF RECORD THAT NEITHER THIS
19 PART 12 NOR THIS ARTICLE 80 AUTHORIZES OR REQUIRES A PERSON TO
20 DELIVER TO THE SECRETARY OF STATE FOR FILING; OR

21 (II) MAKE OR DELIVER A RECORD THAT NEITHER THIS PART 12 NOR
22 THIS ARTICLE 80 AUTHORIZES OR REQUIRES THE SECRETARY OF STATE TO
23 MAKE OR DELIVER.

24 SUBPART 2

25 ESTABLISHING PROTECTED SERIES

26 **7-80-1221. Protected series designation - amendment.**

27 (1) WITH THE AFFIRMATIVE VOTE OR CONSENT OF ALL MEMBERS OF A

1 LIMITED LIABILITY COMPANY, THE COMPANY MAY ESTABLISH A
2 PROTECTED SERIES.

3 (2) TO ESTABLISH A PROTECTED SERIES, A LIMITED LIABILITY
4 COMPANY SHALL DELIVER TO THE SECRETARY OF STATE FOR FILING A
5 PROTECTED SERIES DESIGNATION, SIGNED BY THE COMPANY, STATING THE
6 NAME OF THE COMPANY AND THE NAME OF THE PROTECTED SERIES TO BE
7 ESTABLISHED.

8 (3) A PROTECTED SERIES IS ESTABLISHED WHEN THE PROTECTED
9 SERIES DESIGNATION TAKES EFFECT UNDER SECTION 7-90-304.

10 (4) TO AMEND A PROTECTED SERIES DESIGNATION, A SERIES
11 LIMITED LIABILITY COMPANY SHALL DELIVER TO THE SECRETARY OF STATE
12 FOR FILING A STATEMENT OF DESIGNATION CHANGE, SIGNED BY THE
13 COMPANY, THAT CHANGES THE NAME OF THE COMPANY, THE NAME OF THE
14 PROTECTED SERIES TO WHICH THE DESIGNATION APPLIES, OR BOTH. THE
15 CHANGE TAKES EFFECT WHEN THE STATEMENT OF DESIGNATION CHANGE
16 TAKES EFFECT UNDER SECTION 7-90-304.

17 **7-80-1222. Name.** (1) EXCEPT AS OTHERWISE PROVIDED IN
18 SUBSECTION (2) OF THIS SECTION, THE NAME OF A PROTECTED SERIES MUST
19 COMPLY WITH PART 6 OF ARTICLE 90 OF THIS TITLE 7.

20 (2) THE NAME OF A PROTECTED SERIES OF A SERIES LIMITED
21 LIABILITY COMPANY MUST:

22 (a) BEGIN WITH THE NAME OF THE COMPANY; AND

23 (b) CONTAIN THE PHRASE "PROTECTED SERIES" OR "PROTECTED
24 SERIES" OR THE ABBREVIATION "P.S." OR "PS".

25 (3) IF A SERIES LIMITED LIABILITY COMPANY CHANGES ITS NAME,
26 THE COMPANY SHALL DELIVER TO THE SECRETARY OF STATE FOR FILING A
27 STATEMENT OF DESIGNATION CHANGE FOR EACH OF THE COMPANY'S

1 PROTECTED SERIES, CHANGING THE NAME OF EACH PROTECTED SERIES TO
2 COMPLY WITH THIS SECTION.

3 **7-80-1223. Registered agent.** (1) THE REGISTERED AGENT IN THIS
4 STATE FOR A SERIES LIMITED LIABILITY COMPANY IS THE REGISTERED
5 AGENT IN THIS STATE FOR EACH PROTECTED SERIES OF THE COMPANY.

6 (2) BEFORE DELIVERING A PROTECTED SERIES DESIGNATION TO THE
7 SECRETARY OF STATE FOR FILING, A LIMITED LIABILITY COMPANY SHALL
8 AGREE WITH A REGISTERED AGENT THAT THE AGENT WILL SERVE AS THE
9 REGISTERED AGENT IN THIS STATE FOR BOTH THE COMPANY AND THE
10 PROTECTED SERIES.

11 (3) A PERSON THAT SIGNS A PROTECTED SERIES DESIGNATION
12 DELIVERED TO THE SECRETARY OF STATE FOR FILING AFFIRMS AS A FACT
13 THAT THE LIMITED LIABILITY COMPANY ON WHOSE BEHALF THE
14 DESIGNATION IS DELIVERED HAS COMPLIED WITH SUBSECTION (2) OF THIS
15 SECTION.

16 (4) A PERSON THAT CEASES TO BE THE REGISTERED AGENT FOR A
17 SERIES LIMITED LIABILITY COMPANY CEASES TO BE THE REGISTERED
18 AGENT FOR EACH PROTECTED SERIES OF THE COMPANY.

19 (5) A PERSON THAT CEASES TO BE THE REGISTERED AGENT FOR A
20 PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY, OTHER THAN
21 AS A RESULT OF THE TERMINATION OF THE PROTECTED SERIES, CEASES TO
22 BE THE REGISTERED AGENT OF THE COMPANY AND ANY OTHER PROTECTED
23 SERIES OF THE COMPANY.

24 (6) EXCEPT AS OTHERWISE AGREED BY A SERIES LIMITED LIABILITY
25 COMPANY AND ITS REGISTERED AGENT, THE AGENT IS NOT OBLIGATED TO
26 DISTINGUISH BETWEEN A PROCESS, NOTICE, DEMAND, OR OTHER RECORD
27 CONCERNING THE COMPANY AND A PROCESS, NOTICE, DEMAND, OR OTHER

1 RECORD CONCERNING A PROTECTED SERIES OF THE COMPANY.

2 **7-80-1224. Service of process - notice, demand, or other**
3 **record.** (1) A PROTECTED SERIES OF A SERIES LIMITED LIABILITY
4 COMPANY MAY BE SERVED WITH A PROCESS, NOTICE, DEMAND, OR OTHER
5 RECORD REQUIRED OR PERMITTED BY LAW BY:

6 (a) SERVING THE COMPANY;

7 (b) SERVING THE REGISTERED AGENT OF THE PROTECTED SERIES;

8 OR

9 (c) OTHER MEANS AUTHORIZED BY LAW OF THIS STATE OTHER
10 THAN THIS ARTICLE 80.

11 (2) SERVICE OF A SUMMONS AND COMPLAINT ON A SERIES LIMITED
12 LIABILITY COMPANY IS NOTICE TO EACH PROTECTED SERIES OF THE
13 COMPANY OF SERVICE OF THE SUMMONS AND COMPLAINT AND THE
14 CONTENTS OF THE COMPLAINT.

15 (3) SERVICE OF A SUMMONS AND COMPLAINT ON A PROTECTED
16 SERIES OF A SERIES LIMITED LIABILITY COMPANY IS NOTICE TO THE
17 COMPANY AND ANY OTHER PROTECTED SERIES OF THE COMPANY OF
18 SERVICE OF THE SUMMONS AND COMPLAINT AND THE CONTENTS OF THE
19 COMPLAINT.

20 (4) SERVICE OF A SUMMONS AND COMPLAINT ON A FOREIGN SERIES
21 LIMITED LIABILITY COMPANY IS NOTICE TO EACH FOREIGN PROTECTED
22 SERIES OF THE FOREIGN COMPANY OF SERVICE OF THE SUMMONS AND
23 COMPLAINT AND THE CONTENTS OF THE COMPLAINT.

24 (5) SERVICE OF A SUMMONS AND COMPLAINT ON A FOREIGN
25 PROTECTED SERIES OF A FOREIGN SERIES LIMITED LIABILITY COMPANY IS
26 NOTICE TO THE FOREIGN COMPANY AND ANY OTHER FOREIGN PROTECTED
27 SERIES OF THE COMPANY OF SERVICE OF THE SUMMONS AND COMPLAINT

1 AND THE CONTENTS OF THE COMPLAINT.

2 (6) NOTICE TO A PERSON UNDER SUBSECTION (2), (3), (4), OR (5) OF
3 THIS SECTION IS EFFECTIVE WHETHER OR NOT THE SUMMONS AND
4 COMPLAINT IDENTIFY THE PERSON IF THE SUMMONS AND COMPLAINT NAME
5 AS A PARTY AND IDENTIFY:

6 (a) THE SERIES LIMITED LIABILITY COMPANY OR A PROTECTED
7 SERIES OF THE COMPANY; OR

8 (b) THE FOREIGN SERIES LIMITED LIABILITY COMPANY OR A
9 FOREIGN PROTECTED SERIES OF THE FOREIGN COMPANY.

10 **7-80-1225. Certificate of good standing for protected series.**

11 (1) ON REQUEST OF ANY PERSON, THE SECRETARY OF STATE SHALL ISSUE
12 A CERTIFICATE OF GOOD STANDING FOR A PROTECTED SERIES OF A SERIES
13 LIMITED LIABILITY COMPANY OR A CERTIFICATE OF REGISTRATION FOR A
14 FOREIGN PROTECTED SERIES IF:

15 (a) IN THE CASE OF A PROTECTED SERIES:

16 (I) NO STATEMENT OF DISSOLUTION, TERMINATION, OR
17 RELOCATION PERTAINING TO THE PROTECTED SERIES HAS BEEN FILED; AND

18 (II) THE COMPANY HAS DELIVERED TO THE SECRETARY OF STATE
19 FOR FILING THE MOST RECENT PERIODIC REPORT REQUIRED BY SECTION
20 7-80-301 AND THE REPORT INCLUDES THE NAME OF THE PROTECTED
21 SERIES, UNLESS:

22 (A) WHEN THE COMPANY DELIVERED THE REPORT FOR FILING, THE
23 PROTECTED SERIES DESIGNATION PERTAINING TO THE PROTECTED SERIES
24 HAD NOT YET TAKEN EFFECT; OR

25 (B) AFTER THE COMPANY DELIVERED THE REPORT FOR FILING, THE
26 COMPANY DELIVERED TO THE SECRETARY OF STATE FOR FILING A
27 STATEMENT OF DESIGNATION CHANGE CHANGING THE NAME OF THE

1 PROTECTED SERIES; OR

2 (b) IN THE CASE OF A FOREIGN PROTECTED SERIES, IT IS
3 REGISTERED TO DO BUSINESS IN THIS STATE.

4 (2) A CERTIFICATE ISSUED UNDER SUBSECTION (1) OF THIS SECTION
5 MUST STATE:

6 (a) IN THE CASE OF A PROTECTED SERIES:

7 (I) THE NAME OF THE PROTECTED SERIES OF THE SERIES LIMITED
8 LIABILITY COMPANY AND THE NAME OF THE COMPANY;

9 (II) THAT THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION
10 ARE MET;

11 (III) THE DATE THE PROTECTED SERIES DESIGNATION PERTAINING
12 TO THE PROTECTED SERIES TOOK EFFECT; AND

13 (IV) IF A STATEMENT OF DESIGNATION CHANGE PERTAINING TO
14 THE PROTECTED SERIES HAS BEEN FILED, THE EFFECTIVE DATE AND
15 CONTENTS OF THE STATEMENT;

16 (b) IN THE CASE OF A FOREIGN PROTECTED SERIES, THAT IT IS
17 REGISTERED TO DO BUSINESS IN THIS STATE;

18 (c) THAT THE FEES, TAXES, INTEREST, AND PENALTIES OWED TO
19 THIS STATE BY THE PROTECTED SERIES OR FOREIGN PROTECTED SERIES
20 AND COLLECTED THROUGH THE SECRETARY OF STATE HAVE BEEN PAID, IF:

21 (I) PAYMENT IS REFLECTED IN THE RECORDS OF THE SECRETARY OF
22 STATE; AND

23 (II) NONPAYMENT AFFECTS THE GOOD STANDING OF THE
24 PROTECTED SERIES; AND

25 (d) OTHER FACTS REFLECTED IN THE RECORDS OF THE SECRETARY
26 OF STATE PERTAINING TO THE PROTECTED SERIES OR FOREIGN PROTECTED
27 SERIES WHICH THE PERSON REQUESTING THE CERTIFICATE REASONABLY

1 ONLY IF THE PROTECTED SERIES CREATES AND MAINTAINS RECORDS THAT
2 STATE THE NAME OF THE PROTECTED SERIES AND DESCRIBE THE ASSET
3 WITH SUFFICIENT SPECIFICITY TO PERMIT A DISINTERESTED, REASONABLE
4 INDIVIDUAL TO:

5 (a) IDENTIFY THE ASSET AND DISTINGUISH IT FROM ANY OTHER
6 ASSET OF THE PROTECTED SERIES, ANY ASSET OF THE COMPANY, AND ANY
7 ASSET OF ANY OTHER PROTECTED SERIES OF THE COMPANY;

8 (b) DETERMINE WHEN AND FROM WHAT PERSON THE PROTECTED
9 SERIES ACQUIRED THE ASSET OR HOW THE ASSET OTHERWISE BECAME AN
10 ASSET OF THE PROTECTED SERIES; AND

11 (c) IF THE PROTECTED SERIES ACQUIRED THE ASSET FROM THE
12 COMPANY OR ANOTHER PROTECTED SERIES OF THE COMPANY, DETERMINE
13 ANY CONSIDERATION PAID, THE PAYOR, AND THE PAYEE.

14 (3) AN ASSET OF A SERIES LIMITED LIABILITY COMPANY IS AN
15 ASSOCIATED ASSET OF THE COMPANY ONLY IF THE COMPANY CREATES AND
16 MAINTAINS RECORDS THAT STATE THE NAME OF THE COMPANY AND
17 DESCRIBE THE ASSET WITH SUFFICIENT SPECIFICITY TO PERMIT A
18 DISINTERESTED, REASONABLE INDIVIDUAL TO:

19 (a) IDENTIFY THE ASSET AND DISTINGUISH IT FROM ANY OTHER
20 ASSET OF THE COMPANY AND ANY ASSET OF ANY PROTECTED SERIES OF
21 THE COMPANY;

22 (b) DETERMINE WHEN AND FROM WHAT PERSON THE COMPANY
23 ACQUIRED THE ASSET OR HOW THE ASSET OTHERWISE BECAME AN ASSET
24 OF THE COMPANY; AND

25 (c) IF THE COMPANY ACQUIRED THE ASSET FROM A PROTECTED
26 SERIES OF THE COMPANY, DETERMINE ANY CONSIDERATION PAID, THE
27 PAYOR, AND THE PAYEE.

1 (4) THE RECORDS AND RECORDKEEPING REQUIRED BY
2 SUBSECTIONS (2) AND (3) OF THIS SECTION MAY BE ORGANIZED BY
3 SPECIFIC LISTING, CATEGORY, TYPE, QUANTITY, OR COMPUTATIONAL OR
4 ALLOCATIONAL FORMULA OR PROCEDURE, INCLUDING A PERCENTAGE OR
5 SHARE OF ANY ASSET, OR IN ANY OTHER REASONABLE MANNER.

6 (5) TO THE EXTENT PERMITTED BY THIS SECTION AND LAW OF THIS
7 STATE OTHER THAN THIS PART 12, A SERIES LIMITED LIABILITY COMPANY
8 OR PROTECTED SERIES OF THE COMPANY MAY HOLD AN ASSOCIATED ASSET
9 DIRECTLY OR INDIRECTLY, THROUGH A REPRESENTATIVE, NOMINEE, OR
10 SIMILAR ARRANGEMENT; EXCEPT THAT:

11 (a) A PROTECTED SERIES MAY NOT HOLD AN ASSOCIATED ASSET IN
12 THE NAME OF THE COMPANY OR ANOTHER PROTECTED SERIES OF THE
13 COMPANY; AND

14 (b) THE COMPANY MAY NOT HOLD AN ASSOCIATED ASSET IN THE
15 NAME OF A PROTECTED SERIES OF THE COMPANY.

16 **7-80-1232. Associated member.** (1) ONLY A MEMBER OF A
17 SERIES LIMITED LIABILITY COMPANY MAY BE AN ASSOCIATED MEMBER OF
18 A PROTECTED SERIES OF THE COMPANY.

19 (2) A MEMBER OF A SERIES LIMITED LIABILITY COMPANY BECOMES
20 AN ASSOCIATED MEMBER OF A PROTECTED SERIES OF THE COMPANY IF THE
21 OPERATING AGREEMENT OR A PROCEDURE ESTABLISHED BY THE
22 AGREEMENT STATES:

23 (a) THAT THE MEMBER IS AN ASSOCIATED MEMBER OF THE
24 PROTECTED SERIES;

25 (b) THE DATE ON WHICH THE MEMBER BECAME AN ASSOCIATED
26 MEMBER; AND

27 (c) ANY PROTECTED-SERIES TRANSFERABLE INTEREST THE

1 ASSOCIATED MEMBER HAS IN CONNECTION WITH BECOMING OR BEING AN
2 ASSOCIATED MEMBER.

3 (3) IF A PERSON THAT IS AN ASSOCIATED MEMBER OF A PROTECTED
4 SERIES OF A SERIES LIMITED LIABILITY COMPANY IS DISSOCIATED FROM
5 THE COMPANY, THE PERSON CEASES TO BE AN ASSOCIATED MEMBER OF
6 THE PROTECTED SERIES.

7 **7-80-1233. Protected-series transferable interest.** (1) A
8 PROTECTED-SERIES TRANSFERABLE INTEREST OF A PROTECTED SERIES OF
9 A SERIES LIMITED LIABILITY COMPANY MUST BE OWNED INITIALLY BY AN
10 ASSOCIATED MEMBER OF THE PROTECTED SERIES OR THE COMPANY.

11 (2) IF A PROTECTED SERIES OF A SERIES LIMITED LIABILITY
12 COMPANY HAS NO ASSOCIATED MEMBERS WHEN ESTABLISHED, THE
13 COMPANY OWNS THE PROTECTED-SERIES TRANSFERABLE INTERESTS IN THE
14 PROTECTED SERIES.

15 (3) IN ADDITION TO ACQUIRING A PROTECTED SERIES
16 TRANSFERABLE SERIES INTEREST UNDER SUBSECTION (2) OF THIS SECTION,
17 A SERIES LIMITED LIABILITY COMPANY MAY ACQUIRE A PROTECTED-SERIES
18 TRANSFERABLE INTEREST THROUGH A TRANSFER FROM ANOTHER PERSON
19 OR AS PROVIDED IN THE OPERATING AGREEMENT.

20 (4) EXCEPT FOR SECTION 7-80-1208 (1)(c), A PROVISION OF THIS
21 PART 12 WHICH APPLIES TO A PROTECTED-SERIES TRANSFEREE OF A
22 PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY APPLIES TO
23 THE COMPANY IN ITS CAPACITY AS AN OWNER OF A PROTECTED-SERIES
24 TRANSFERABLE INTEREST OF THE PROTECTED SERIES. A PROVISION OF THE
25 OPERATING AGREEMENT OF A SERIES LIMITED LIABILITY COMPANY WHICH
26 APPLIES TO A PROTECTED-SERIES TRANSFEREE OF A PROTECTED SERIES OF
27 THE COMPANY APPLIES TO THE COMPANY IN ITS CAPACITY AS AN OWNER

1 OF A PROTECTED-SERIES TRANSFERABLE INTEREST OF THE PROTECTED
2 SERIES.

3 **7-80-1234. Management.** (1) A PROTECTED SERIES MAY HAVE
4 MORE THAN ONE PROTECTED-SERIES MANAGER.

5 (2) IF A PROTECTED SERIES HAS NO ASSOCIATED MEMBERS, THE
6 SERIES LIMITED LIABILITY COMPANY IS THE PROTECTED-SERIES MANAGER.

7 (3) SECTION 7-80-1208 APPLIES TO DETERMINE ANY DUTIES OF A
8 PROTECTED-SERIES MANAGER OF A PROTECTED SERIES OF A SERIES
9 LIMITED LIABILITY COMPANY TO:

10 (a) THE PROTECTED SERIES;

11 (b) ANY ASSOCIATED MEMBER OF THE PROTECTED SERIES; AND

12 (c) ANY PROTECTED-SERIES TRANSFEREE OF THE PROTECTED
13 SERIES.

14 (4) SOLELY BY REASON OF BEING OR ACTING AS A
15 PROTECTED-SERIES MANAGER OF A PROTECTED SERIES OF A SERIES
16 LIMITED LIABILITY COMPANY, A PERSON OWES NO DUTY TO:

17 (a) THE COMPANY;

18 (b) ANOTHER PROTECTED SERIES OF THE COMPANY; OR

19 (c) ANOTHER PERSON IN THAT PERSON'S CAPACITY AS:

20 (I) A MEMBER OF THE COMPANY WHICH IS NOT AN ASSOCIATED
21 MEMBER OF THE PROTECTED SERIES;

22 (II) A PROTECTED-SERIES TRANSFEREE OR PROTECTED-SERIES
23 MANAGER OF ANOTHER PROTECTED SERIES; OR

24 (III) A TRANSFEREE OF THE COMPANY.

25 (5) AN ASSOCIATED MEMBER OF A PROTECTED SERIES OF A SERIES
26 LIMITED LIABILITY COMPANY HAS THE SAME RIGHTS AS ANY OTHER
27 MEMBER OF THE COMPANY TO VOTE ON OR CONSENT TO AN AMENDMENT

1 TO THE COMPANY'S OPERATING AGREEMENT OR ANY OTHER MATTER BEING
2 DECIDED BY THE MEMBERS, WHETHER OR NOT THE AMENDMENT OR
3 MATTER AFFECTS THE INTERESTS OF THE PROTECTED SERIES OR THE
4 ASSOCIATED MEMBER.

5 (6) SECTIONS 7-80-713 TO 7-80-719 CONCERNING DERIVATIVE
6 CLAIMS APPLY TO A PROTECTED SERIES IN ACCORDANCE WITH SECTION
7 7-80-1208.

8 (7) AN ASSOCIATED MEMBER OF A PROTECTED SERIES IS AN AGENT
9 FOR THE PROTECTED SERIES WITH POWER TO BIND THE PROTECTED SERIES
10 TO THE SAME EXTENT THAT A MEMBER OF A LIMITED LIABILITY COMPANY
11 IS AN AGENT FOR THE COMPANY WITH POWER TO BIND THE COMPANY
12 UNDER SECTION 7-80-405.

13 **7-80-1235. Right of person who is not an associated member**
14 **of protected series to information concerning the protected series.**

15 (1) A MEMBER OF A SERIES LIMITED LIABILITY COMPANY WHICH IS NOT AN
16 ASSOCIATED MEMBER OF A PROTECTED SERIES OF THE COMPANY HAS A
17 RIGHT TO INFORMATION CONCERNING THE PROTECTED SERIES TO THE
18 SAME EXTENT, IN THE SAME MANNER, AND UNDER THE SAME CONDITIONS
19 THAT A MEMBER THAT IS NOT A MANAGER OF A MANAGER-MANAGED
20 LIMITED LIABILITY COMPANY HAS A RIGHT TO INFORMATION CONCERNING
21 THE COMPANY UNDER SECTION 7-80-408.

22 (2) [Reserved]

23 (3) IF AN ASSOCIATED MEMBER OF A PROTECTED SERIES DIES, THE
24 LEGAL REPRESENTATIVE OF THE DECEASED ASSOCIATED MEMBER HAS A
25 RIGHT TO INFORMATION CONCERNING THE PROTECTED SERIES TO THE
26 SAME EXTENT, IN THE SAME MANNER, AND UNDER THE SAME CONDITIONS
27 THAT THE LEGAL REPRESENTATIVE OF A DECEASED MEMBER OF A LIMITED

1 LIABILITY COMPANY HAS A RIGHT TO INFORMATION CONCERNING THE
2 COMPANY UNDER SECTION 7-80-704 (1).

3 (4) A PROTECTED-SERIES MANAGER OF A PROTECTED SERIES HAS
4 A RIGHT TO INFORMATION CONCERNING THE PROTECTED SERIES TO THE
5 SAME EXTENT, IN THE SAME MANNER, AND UNDER THE SAME CONDITIONS
6 THAT A MANAGER OF A MANAGER-MANAGED LIMITED LIABILITY COMPANY
7 HAS A RIGHT TO INFORMATION CONCERNING THE COMPANY UNDER
8 SECTION 7-80-408.

9 SUBPART 4
10 LIMITATION ON LIABILITY AND
11 ENFORCEMENT OF CLAIMS

12 **7-80-1241. Limitations on liability.** (1) A PERSON IS NOT LIABLE,
13 DIRECTLY OR INDIRECTLY, BY WAY OF CONTRIBUTION OR OTHERWISE, FOR
14 A DEBT, OBLIGATION, OR OTHER LIABILITY OF:

15 (a) A PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY
16 SOLELY BY REASON OF BEING OR ACTING AS:

17 (I) AN ASSOCIATED MEMBER, PROTECTED-SERIES MANAGER, OR
18 PROTECTED-SERIES TRANSFEREE OF THE PROTECTED SERIES; OR

19 (II) A MEMBER, MANAGER, OR A TRANSFEREE OF THE COMPANY;
20 OR

21 (b) A SERIES LIMITED LIABILITY COMPANY SOLELY BY REASON OF
22 BEING OR ACTING AS AN ASSOCIATED MEMBER, PROTECTED-SERIES
23 MANAGER, OR PROTECTED-SERIES TRANSFEREE OF A PROTECTED SERIES OF
24 THE COMPANY.

25 (2) SUBJECT TO SECTION 7-80-1244, THE FOLLOWING RULES APPLY:

26 (a) A DEBT, OBLIGATION, OR OTHER LIABILITY OF A SERIES LIMITED
27 LIABILITY COMPANY IS SOLELY THE DEBT, OBLIGATION, OR LIABILITY OF

1 THE COMPANY.

2 (b) A DEBT, OBLIGATION, OR OTHER LIABILITY OF A PROTECTED
3 SERIES IS SOLELY THE DEBT, OBLIGATION, OR LIABILITY OF THE PROTECTED
4 SERIES.

5 (c) A SERIES LIMITED LIABILITY COMPANY IS NOT LIABLE,
6 DIRECTLY OR INDIRECTLY, BY WAY OF CONTRIBUTION OR OTHERWISE, FOR
7 A DEBT, OBLIGATION, OR OTHER LIABILITY OF A PROTECTED SERIES OF THE
8 COMPANY SOLELY BY REASON OF THE PROTECTED SERIES BEING A
9 PROTECTED SERIES OF THE COMPANY OR THE COMPANY:

10 (I) BEING OR ACTING AS A PROTECTED-SERIES MANAGER OF THE
11 PROTECTED SERIES;

12 (II) HAVING THE PROTECTED SERIES MANAGE THE COMPANY; OR

13 (III) OWNING A PROTECTED-SERIES TRANSFERABLE INTEREST OF
14 THE PROTECTED SERIES.

15 (d) A PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY
16 IS NOT LIABLE, DIRECTLY OR INDIRECTLY, BY WAY OF CONTRIBUTION OR
17 OTHERWISE, FOR A DEBT, OBLIGATION, OR OTHER LIABILITY OF THE
18 COMPANY OR ANOTHER PROTECTED SERIES OF THE COMPANY SOLELY BY
19 REASON OF:

20 (I) BEING A PROTECTED SERIES OF THE COMPANY;

21 (II) BEING OR ACTING AS A MANAGER OF THE COMPANY OR A
22 PROTECTED-SERIES MANAGER OF ANOTHER PROTECTED SERIES OF THE
23 COMPANY; OR

24 (III) HAVING THE COMPANY OR ANOTHER PROTECTED SERIES OF
25 THE COMPANY BE OR ACT AS A PROTECTED-SERIES MANAGER OF THE
26 PROTECTED SERIES.

27 **7-80-1242. Claim seeking to disregard limitation of liability.**

1 (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2) OF THIS SECTION,
2 A CLAIM SEEKING TO DISREGARD A LIMITATION IN SECTION 7-80-1241 IS
3 GOVERNED BY THE PRINCIPLES OF LAW AND EQUITY, INCLUDING A
4 PRINCIPLE PROVIDING A RIGHT TO A CREDITOR OR HOLDING A PERSON
5 LIABLE FOR A DEBT, OBLIGATION, OR OTHER LIABILITY OF ANOTHER
6 PERSON, WHICH WOULD APPLY IF EACH PROTECTED SERIES OF A SERIES
7 LIMITED LIABILITY COMPANY WERE A LIMITED LIABILITY COMPANY
8 FORMED SEPARATELY FROM THE SERIES LIMITED LIABILITY COMPANY AND
9 DISTINCT FROM THE SERIES LIMITED LIABILITY COMPANY AND ANY OTHER
10 PROTECTED SERIES OF THE SERIES LIMITED LIABILITY COMPANY.

11 (2) THIS SECTION APPLIES TO A CLAIM SEEKING TO DISREGARD A
12 LIMITATION OF LIABILITY APPLICABLE TO A FOREIGN SERIES LIMITED
13 LIABILITY COMPANY OR FOREIGN PROTECTED SERIES AND COMPARABLE TO
14 A LIMITATION STATED IN SECTION 7-80-1241, IF:

15 (a) THE CLAIMANT IS A RESIDENT OF THIS STATE OR DOING
16 BUSINESS OR REGISTERED TO DO BUSINESS IN THIS STATE; OR

17 (b) THE CLAIM IS TO ESTABLISH OR ENFORCE A LIABILITY ARISING
18 UNDER LAW OF THIS STATE OTHER THAN THIS PART 12 OR FROM AN ACT OR
19 OMISSION IN THIS STATE.

20 **7-80-1243. Remedies of judgment creditor of associated**
21 **member or protected-series transferee.** (1) SECTION 7-80-703 APPLIES
22 TO A JUDGMENT CREDITOR OF:

23 (a) AN ASSOCIATED MEMBER OR PROTECTED-SERIES TRANSFEREE
24 OF A PROTECTED SERIES; OR

25 (b) A SERIES LIMITED LIABILITY COMPANY, TO THE EXTENT THE
26 COMPANY OWNS A PROTECTED-SERIES TRANSFERABLE INTEREST OF A
27 PROTECTED SERIES.

1 **7-80-1244. Enforcement against nonassociated asset -**
2 **definitions.** (1) IN THIS SECTION:

3 (a) "ENFORCEMENT DATE" MEANS 12:01 A.M. ON THE DATE ON
4 WHICH A CLAIMANT FIRST SERVES PROCESS ON A SERIES LIMITED LIABILITY
5 COMPANY OR PROTECTED SERIES IN AN ACTION SEEKING TO ENFORCE
6 UNDER THIS SECTION A CLAIM AGAINST AN ASSET OF THE COMPANY OR
7 PROTECTED SERIES BY ATTACHMENT, LEVY, OR THE LIKE.

8 (b) SUBJECT TO SECTION 7-80-1268 (2), "INCURRENCE DATE"
9 MEANS THE DATE ON WHICH A SERIES LIMITED LIABILITY COMPANY OR
10 PROTECTED SERIES INCURRED THE LIABILITY GIVING RISE TO A CLAIM THAT
11 A CLAIMANT SEEKS TO ENFORCE UNDER THIS SECTION.

12 (2) IF A CLAIM AGAINST A SERIES LIMITED LIABILITY COMPANY OR
13 A PROTECTED SERIES OF THE COMPANY HAS BEEN REDUCED TO JUDGMENT,
14 IN ADDITION TO ANY OTHER REMEDY PROVIDED BY LAW OR EQUITY, THE
15 JUDGMENT MAY BE ENFORCED IN ACCORDANCE WITH THE FOLLOWING
16 RULES:

17 (a) A JUDGMENT AGAINST THE COMPANY MAY BE ENFORCED
18 AGAINST AN ASSET OF A PROTECTED SERIES OF THE COMPANY IF THE
19 ASSET:

20 (I) WAS A NONASSOCIATED ASSET OF THE PROTECTED SERIES ON
21 THE INCURRENCE DATE; OR

22 (II) IS A NONASSOCIATED ASSET OF THE PROTECTED SERIES ON THE
23 ENFORCEMENT DATE.

24 (b) A JUDGMENT AGAINST A PROTECTED SERIES MAY BE ENFORCED
25 AGAINST AN ASSET OF THE COMPANY IF THE ASSET:

26 (I) WAS A NONASSOCIATED ASSET OF THE COMPANY ON THE
27 INCURRENCE DATE; OR

1 (II) IS A NONASSOCIATED ASSET OF THE COMPANY ON THE
2 ENFORCEMENT DATE.

3 (c) A JUDGMENT AGAINST A PROTECTED SERIES MAY BE ENFORCED
4 AGAINST AN ASSET OF ANOTHER PROTECTED SERIES OF THE COMPANY IF
5 THE ASSET:

6 (I) WAS A NONASSOCIATED ASSET OF THE OTHER PROTECTED
7 SERIES ON THE INCURRENCE DATE; OR

8 (II) IS A NONASSOCIATED ASSET OF THE OTHER PROTECTED SERIES
9 ON THE ENFORCEMENT DATE.

10 (3) IN ADDITION TO ANY OTHER REMEDY PROVIDED BY LAW OR
11 EQUITY, IF A CLAIM AGAINST A SERIES LIMITED LIABILITY COMPANY OR A
12 PROTECTED SERIES HAS NOT BEEN REDUCED TO A JUDGMENT AND LAW
13 OTHER THAN THIS PART 12 PERMITS A PREJUDGMENT REMEDY BY
14 ATTACHMENT, LEVY, OR THE LIKE, THE COURT MAY APPLY SUBSECTION (2)
15 OF THIS SECTION AS A PREJUDGMENT REMEDY.

16 (4) IN A PROCEEDING UNDER THIS SECTION, THE PARTY ASSERTING
17 THAT AN ASSET IS OR WAS AN ASSOCIATED ASSET OF A SERIES LIMITED
18 LIABILITY COMPANY OR A PROTECTED SERIES OF THE COMPANY HAS THE
19 BURDEN OF PROOF ON THE ISSUE.

20 (5) THIS SECTION APPLIES TO AN ASSET OF A FOREIGN SERIES
21 LIMITED LIABILITY COMPANY OR FOREIGN PROTECTED SERIES IF:

22 (a) THE ASSET IS REAL OR TANGIBLE PROPERTY LOCATED IN THIS
23 STATE;

24 (b) THE CLAIMANT IS A RESIDENT OF THIS STATE OR DOING
25 BUSINESS OR REGISTERED TO DO BUSINESS IN THIS STATE, OR THE CLAIM
26 UNDER THIS SECTION IS TO ENFORCE A JUDGMENT, OR TO SEEK A
27 PREJUDGMENT REMEDY, PERTAINING TO A LIABILITY ARISING FROM LAW

1 OF THIS STATE OTHER THAN THIS PART 12 OR AN ACT OR OMISSION IN THIS
2 STATE; AND

3 (c) THE ASSET IS NOT IDENTIFIED IN THE RECORDS OF THE FOREIGN
4 SERIES LIMITED LIABILITY COMPANY OR FOREIGN PROTECTED SERIES IN A
5 MANNER COMPARABLE TO THE MANNER REQUIRED BY SECTION 7-80-1231.

6 SUBPART 5
7 DISSOLUTION AND WINDING UP
8 OF PROTECTED SERIES

9 **7-80-1251. Events causing dissolution of protected series.**

10 (1) A PROTECTED SERIES OF A SERIES LIMITED LIABILITY COMPANY IS
11 DISSOLVED, AND ITS ACTIVITIES AND AFFAIRS MUST BE WOUND UP, ONLY
12 ON THE:

13 (a) DISSOLUTION OF THE COMPANY;

14 (b) OCCURRENCE OF AN EVENT OR CIRCUMSTANCE THE OPERATING
15 AGREEMENT STATES CAUSES DISSOLUTION OF THE PROTECTED SERIES;

16 (c) AFFIRMATIVE VOTE OR CONSENT OF ALL MEMBERS;

17 (d) ENTRY BY THE COURT OF AN ORDER DISSOLVING THE
18 PROTECTED SERIES ON APPLICATION BY AN ASSOCIATED MEMBER OR
19 PROTECTED-SERIES MANAGER OF THE PROTECTED SERIES:

20 (I) IN ACCORDANCE WITH SECTION 7-80-1208; AND

21 (II) TO THE SAME EXTENT, IN THE SAME MANNER, AND ON THE
22 SAME GROUNDS THE COURT WOULD ENTER AN ORDER DISSOLVING A
23 LIMITED LIABILITY COMPANY ON APPLICATION BY A MEMBER OR MANAGER
24 OF THE COMPANY; OR

25 (e) ENTRY BY THE COURT OF AN ORDER DISSOLVING THE
26 PROTECTED SERIES ON APPLICATION BY THE COMPANY OR A MEMBER OF
27 THE COMPANY ON THE GROUND THAT THE CONDUCT OF ALL OR

1 SUBSTANTIALLY ALL THE ACTIVITIES AND AFFAIRS OF THE PROTECTED
2 SERIES IS ILLEGAL.

3 **7-80-1252. Winding up dissolved protected series.** (1) SUBJECT
4 TO SUBSECTIONS (2) AND (3) OF THIS SECTION AND IN ACCORDANCE WITH
5 SECTION 7-80-1208:

6 (a) A DISSOLVED PROTECTED SERIES SHALL WIND UP ITS ACTIVITIES
7 AND AFFAIRS IN THE SAME MANNER THAT A LIMITED LIABILITY COMPANY
8 WINDS UP ITS ACTIVITIES AND AFFAIRS UNDER SUBPART 1 OF PART 8 OF
9 THIS ARTICLE 80, SUBJECT TO THE SAME REQUIREMENTS AND CONDITIONS
10 AND WITH THE SAME EFFECTS; AND

11 (b) JUDICIAL SUPERVISION OR ANOTHER JUDICIAL REMEDY IS
12 AVAILABLE IN THE WINDING UP OF THE PROTECTED SERIES TO THE SAME
13 EXTENT, IN THE SAME MANNER, UNDER THE SAME CONDITIONS, AND WITH
14 THE SAME EFFECTS THAT APPLY UNDER SUBPART 3 OF PART 8 OF THIS
15 ARTICLE 80.

16 (2) WHEN A PROTECTED SERIES OF A SERIES LIMITED LIABILITY
17 COMPANY DISSOLVES, THE COMPANY MAY DELIVER TO THE SECRETARY OF
18 STATE FOR FILING A STATEMENT OF PROTECTED SERIES DISSOLUTION
19 STATING THE NAMES OF THE COMPANY AND THE PROTECTED SERIES AND
20 THAT THE PROTECTED SERIES IS DISSOLVED. THE FILING OF THE
21 STATEMENT BY THE SECRETARY OF STATE HAS THE SAME EFFECT WITH
22 REGARD TO THE PROTECTED SERIES AS THE FILING BY THE SECRETARY OF
23 STATE OF A STATEMENT OF DISSOLUTION UNDER SECTION 7-80-802.

24 (3) A SERIES LIMITED LIABILITY COMPANY HAS NOT COMPLETED
25 ITS WINDING UP UNTIL EACH OF THE PROTECTED SERIES OF THE COMPANY
26 HAS COMPLETED ITS WINDING UP.

27 **7-80-1253. Effect of reinstatement of series limited liability**

1 7-80-1264, CONTINUES IN UNINTERRUPTED EXISTENCE AS A PROTECTED
2 SERIES OF THE SURVIVING COMPANY.

3 (7) "SURVIVING COMPANY" MEANS A MERGING COMPANY THAT
4 CONTINUES IN EXISTENCE AFTER A MERGER UNDER SECTION 7-80-1264.

5 **7-80-1262. Protected series may not be party to entity**
6 **transaction.** (1) A PROTECTED SERIES MAY NOT:

7 (a) BE AN ACQUIRING, ACQUIRED, CONVERTING, CONVERTED,
8 MERGING, OR SURVIVING ENTITY;

9 (b) PARTICIPATE IN A DOMESTICATION; OR

10 (c) BE A PARTY TO OR BE FORMED, ORGANIZED, ESTABLISHED, OR
11 CREATED IN A TRANSACTION SUBSTANTIALLY LIKE A MERGER, INTEREST
12 EXCHANGE, CONVERSION, OR DOMESTICATION.

13 **7-80-1263. Restriction on entity transaction involving**
14 **protected series.** (1) A SERIES LIMITED LIABILITY COMPANY MAY NOT BE:

15 (a) AN ACQUIRING, ACQUIRED, CONVERTING, CONVERTED,
16 DOMESTICATING, OR DOMESTICATED ENTITY; OR

17 (b) EXCEPT AS OTHERWISE PROVIDED IN SECTION 7-80-1264, A
18 PARTY TO OR THE SURVIVING COMPANY OF A MERGER.

19 **7-80-1264. Merger authorized - parties restricted.** (1) A SERIES
20 LIMITED LIABILITY COMPANY MAY BE PARTY TO A MERGER IN
21 ACCORDANCE WITH PART 2 OF ARTICLE 90 OF THIS TITLE 7, THIS SECTION,
22 AND SECTIONS 7-80-1265 TO 7-80-1268 ONLY IF:

23 (a) EACH OTHER PARTY TO THE MERGER IS A LIMITED LIABILITY
24 COMPANY; AND

25 (b) THE SURVIVING COMPANY IS NOT CREATED IN THE MERGER.

26 **7-80-1265. Plan of merger.** (1) IN A MERGER UNDER SECTION
27 7-80-1264, THE PLAN OF MERGER MUST:

1 (a) COMPLY WITH SECTION 7-90-203.3; AND

2 (b) STATE IN A RECORD:

3 (I) FOR ANY PROTECTED SERIES OF A NONSURVIVING COMPANY,
4 WHETHER AFTER THE MERGER THE PROTECTED SERIES WILL BE A
5 RELOCATED PROTECTED SERIES OR BE DISSOLVED, WOUND UP, AND
6 TERMINATED;

7 (II) FOR ANY PROTECTED SERIES OF THE SURVIVING COMPANY
8 WHICH EXISTS BEFORE THE MERGER, WHETHER AFTER THE MERGER THE
9 PROTECTED SERIES WILL BE A CONTINUING PROTECTED SERIES OR BE
10 DISSOLVED, WOUND UP, AND TERMINATED;

11 (III) FOR EACH RELOCATED PROTECTED SERIES OR CONTINUING
12 PROTECTED SERIES:

13 (A) THE NAME OF ANY PERSON THAT BECOMES AN ASSOCIATED
14 MEMBER OR PROTECTED-SERIES TRANSFEREE OF THE PROTECTED SERIES
15 AFTER THE MERGER; ANY CONSIDERATION TO BE PAID BY, ON BEHALF OF,
16 OR IN RESPECT OF THE PERSON; THE NAME OF THE PAYOR; AND THE NAME
17 OF THE PAYEE;

18 (B) THE NAME OF ANY PERSON WHOSE RIGHTS OR OBLIGATIONS IN
19 THE PERSON'S CAPACITY AS AN ASSOCIATED MEMBER OR
20 PROTECTED-SERIES TRANSFEREE WILL CHANGE AFTER THE MERGER;

21 (C) ANY CONSIDERATION TO BE PAID TO A PERSON WHO BEFORE
22 THE MERGER WAS AN ASSOCIATED MEMBER OR PROTECTED-SERIES
23 TRANSFEREE OF THE PROTECTED SERIES AND THE NAME OF THE PAYOR;
24 AND

25 (D) IF AFTER THE MERGER THE PROTECTED SERIES WILL BE A
26 RELOCATED PROTECTED SERIES, ITS NEW NAME;

27 (IV) FOR ANY PROTECTED SERIES TO BE ESTABLISHED BY THE

1 SURVIVING COMPANY AS A RESULT OF THE MERGER:

2 (A) THE NAME OF THE PROTECTED SERIES;

3 (B) ANY PROTECTED-SERIES TRANSFERABLE INTEREST TO BE
4 OWNED BY THE SURVIVING COMPANY WHEN THE PROTECTED SERIES IS
5 ESTABLISHED; AND

6 (C) THE NAME OF, AND ANY PROTECTED-SERIES TRANSFERABLE
7 INTEREST OWNED BY, ANY PERSON THAT WILL BE AN ASSOCIATED MEMBER
8 OF THE PROTECTED SERIES WHEN THE PROTECTED SERIES IS ESTABLISHED;
9 AND

10 (V) FOR ANY PERSON THAT IS AN ASSOCIATED MEMBER OF A
11 RELOCATED PROTECTED SERIES AND WILL REMAIN A MEMBER AFTER THE
12 MERGER, ANY AMENDMENT TO THE OPERATING AGREEMENT OF THE
13 SURVIVING COMPANY WHICH:

14 (A) IS, OR IS PROPOSED TO BE, IN A RECORD; AND

15 (B) IS NECESSARY OR APPROPRIATE TO STATE THE RIGHTS AND
16 OBLIGATIONS OF THE PERSON AS A MEMBER OF THE SURVIVING COMPANY.

17 **7-80-1266. Statement of merger.** (1) IN A MERGER UNDER
18 SECTION 7-80-1264, THE STATEMENT OF MERGER MUST:

19 (a) COMPLY WITH SECTION 7-90-203.7; AND

20 (b) INCLUDE AS AN ATTACHMENT THE FOLLOWING RECORDS, EACH
21 TO BECOME EFFECTIVE WHEN THE MERGER BECOMES EFFECTIVE:

22 (I) FOR A PROTECTED SERIES OF A MERGING COMPANY BEING
23 TERMINATED AS A RESULT OF THE MERGER, A STATEMENT OF
24 TERMINATION SIGNED BY THE COMPANY;

25 (II) FOR A PROTECTED SERIES OF A NONSURVIVING COMPANY
26 WHICH AFTER THE MERGER WILL BE A RELOCATED PROTECTED SERIES:

27 (A) A STATEMENT OF RELOCATION SIGNED BY THE NONSURVIVING

1 COMPANY WHICH CONTAINS THE NAME OF THE COMPANY AND THE NAME
2 OF THE PROTECTED SERIES BEFORE AND AFTER THE MERGER; AND

3 (B) A STATEMENT OF PROTECTED SERIES DESIGNATION SIGNED BY
4 THE SURVIVING COMPANY; AND

5 (III) FOR A PROTECTED SERIES BEING ESTABLISHED BY THE
6 SURVIVING COMPANY AS A RESULT OF THE MERGER, A PROTECTED SERIES
7 DESIGNATION SIGNED BY THE COMPANY.

8 **7-80-1267. Effect of merger.** (1) WHEN A MERGER UNDER
9 SECTION 7-80-1264 BECOMES EFFECTIVE, IN ADDITION TO THE EFFECTS
10 STATED IN SECTION 7-90-204:

11 (a) AS PROVIDED IN THE PLAN OF MERGER, EACH PROTECTED
12 SERIES OF EACH MERGING COMPANY WHICH WAS ESTABLISHED BEFORE THE
13 MERGER:

14 (I) IS A RELOCATED PROTECTED SERIES OR CONTINUING
15 PROTECTED SERIES; OR

16 (II) IS DISSOLVED, WOUND UP, AND TERMINATED;

17 (b) ANY PROTECTED SERIES TO BE ESTABLISHED AS A RESULT OF
18 THE MERGER IS ESTABLISHED;

19 (c) ANY RELOCATED PROTECTED SERIES OR CONTINUING
20 PROTECTED SERIES IS THE SAME PERSON WITHOUT INTERRUPTION AS IT
21 WAS BEFORE THE MERGER;

22 (d) ALL PROPERTY OF A RELOCATED PROTECTED SERIES OR
23 CONTINUING PROTECTED SERIES CONTINUES TO BE VESTED IN THE
24 PROTECTED SERIES WITHOUT TRANSFER, REVERSION, OR IMPAIRMENT;

25 (e) ALL DEBTS, OBLIGATIONS, AND OTHER LIABILITIES OF A
26 RELOCATED PROTECTED SERIES OR CONTINUING PROTECTED SERIES
27 CONTINUE AS DEBTS, OBLIGATIONS, AND OTHER LIABILITIES OF THE

1 PROTECTED SERIES;

2 (f) EXCEPT AS OTHERWISE PROVIDED BY LAW OR THE PLAN OF
3 MERGER, ALL THE RIGHTS, PRIVILEGES, IMMUNITIES, POWERS, AND
4 PURPOSES OF A RELOCATED PROTECTED SERIES OR CONTINUING
5 PROTECTED SERIES REMAIN IN THE PROTECTED SERIES;

6 (g) THE NEW NAME OF A RELOCATED PROTECTED SERIES MAY BE
7 SUBSTITUTED FOR THE FORMER NAME OF THE PROTECTED SERIES IN ANY
8 PENDING ACTION OR PROCEEDING;

9 (h) IF PROVIDED IN THE PLAN OF MERGER:

10 (I) A PERSON BECOMES AN ASSOCIATED MEMBER OR
11 PROTECTED-SERIES TRANSFEREE OF A RELOCATED PROTECTED SERIES OR
12 CONTINUING PROTECTED SERIES;

13 (II) A PERSON BECOMES AN ASSOCIATED MEMBER OF A PROTECTED
14 SERIES ESTABLISHED BY THE SURVIVING COMPANY AS A RESULT OF THE
15 MERGER;

16 (III) ANY CHANGE IN THE RIGHTS OR OBLIGATIONS OF A PERSON IN
17 THE PERSON'S CAPACITY AS AN ASSOCIATED MEMBER OR
18 PROTECTED-SERIES TRANSFEREE OF A RELOCATED PROTECTED SERIES OR
19 CONTINUING PROTECTED SERIES TAKES EFFECT; AND

20 (IV) ANY CONSIDERATION TO BE PAID TO A PERSON THAT BEFORE
21 THE MERGER WAS AN ASSOCIATED MEMBER OR PROTECTED-SERIES
22 TRANSFEREE OF A RELOCATED PROTECTED SERIES OR CONTINUING
23 PROTECTED SERIES IS DUE; AND

24 (i) ANY PERSON THAT IS A MEMBER OF A RELOCATED PROTECTED
25 SERIES BECOMES A MEMBER OF THE SURVIVING COMPANY, IF NOT
26 ALREADY A MEMBER.

27 **7-80-1268. Enforcement against nonassociated asset after**

1 **merger.** (1) A CREDITOR'S RIGHT THAT EXISTED UNDER SECTION
2 7-80-1244 IMMEDIATELY BEFORE A MERGER UNDER SECTION 7-80-1264
3 MAY BE ENFORCED AFTER THE MERGER IN ACCORDANCE WITH THE
4 FOLLOWING RULES:

5 (a) A CREDITOR'S RIGHT THAT EXISTED IMMEDIATELY BEFORE THE
6 MERGER AGAINST THE SURVIVING COMPANY, A CONTINUING PROTECTED
7 SERIES, OR A RELOCATED PROTECTED SERIES CONTINUES WITHOUT
8 CHANGE AFTER THE MERGER.

9 (b) A CREDITOR'S RIGHT THAT EXISTED IMMEDIATELY BEFORE THE
10 MERGER AGAINST A NONSURVIVING COMPANY:

11 (I) MAY BE ASSERTED AGAINST AN ASSET OF THE NONSURVIVING
12 COMPANY WHICH VESTED IN THE SURVIVING COMPANY AS A RESULT OF
13 THE MERGER; AND

14 (II) DOES NOT OTHERWISE CHANGE.

15 (c) SUBJECT TO SUBSECTION (2) OF THIS SECTION, THE FOLLOWING
16 RULES APPLY:

17 (I) IN ADDITION TO THE REMEDY STATED IN SUBSECTION (1)(a) OF
18 THIS SECTION, A CREDITOR WITH A RIGHT UNDER SECTION 7-80-1244
19 WHICH EXISTED IMMEDIATELY BEFORE THE MERGER AGAINST A
20 NONSURVIVING COMPANY OR A RELOCATED PROTECTED SERIES MAY
21 ASSERT THE RIGHT AGAINST:

22 (A) AN ASSET OF THE SURVIVING COMPANY, OTHER THAN AN
23 ASSET OF THE NONSURVIVING COMPANY WHICH VESTED IN THE SURVIVING
24 COMPANY AS A RESULT OF THE MERGER;

25 (B) AN ASSET OF A CONTINUING PROTECTED SERIES;

26 (C) AN ASSET OF A PROTECTED SERIES ESTABLISHED BY THE
27 SURVIVING COMPANY AS A RESULT OF THE MERGER;

1 (D) IF THE CREDITOR'S RIGHT WAS AGAINST AN ASSET OF THE
2 NONSURVIVING COMPANY, AN ASSET OF A RELOCATED SERIES; OR

3 (E) IF THE CREDITOR'S RIGHT WAS AGAINST AN ASSET OF A
4 RELOCATED PROTECTED SERIES, AN ASSET OF ANOTHER RELOCATED
5 PROTECTED SERIES.

6 (II) IN ADDITION TO THE REMEDY STATED IN SUBSECTION (1)(b) OF
7 THIS SECTION, A CREDITOR WITH A RIGHT THAT EXISTED IMMEDIATELY
8 BEFORE THE MERGER AGAINST THE SURVIVING COMPANY OR A
9 CONTINUING PROTECTED SERIES MAY ASSERT THE RIGHT AGAINST:

10 (A) AN ASSET OF A RELOCATED PROTECTED SERIES; OR

11 (B) AN ASSET OF A NONSURVIVING COMPANY WHICH VESTED IN
12 THE SURVIVING COMPANY AS A RESULT OF THE MERGER.

13 (2) FOR THE PURPOSES OF SUBSECTION (1)(c) OF THIS SECTION AND
14 SECTION 7-80-1244 (2)(a)(I), (2)(b)(I), AND (2)(c)(I), THE INCURRENCE
15 DATE IS DEEMED TO BE THE DATE ON WHICH THE MERGER BECOMES
16 EFFECTIVE.

17 (3) A MERGER UNDER SECTION 7-80-1264 DOES NOT AFFECT THE
18 MANNER IN WHICH SECTION 7-80-1244 APPLIES TO A LIABILITY INCURRED
19 AFTER THE MERGER.

20 SUBPART 7

21 FOREIGN PROTECTED SERIES

22 **7-80-1271. Governing law.** (1) THE LAW OF THE JURISDICTION OF
23 FORMATION OF A FOREIGN SERIES LIMITED LIABILITY COMPANY GOVERNS:

24 (a) THE INTERNAL AFFAIRS OF A FOREIGN PROTECTED SERIES OF
25 THE COMPANY, INCLUDING:

26 (I) RELATIONS AMONG ANY ASSOCIATED MEMBERS OF THE
27 FOREIGN PROTECTED SERIES;

1 (II) RELATIONS BETWEEN THE FOREIGN PROTECTED SERIES AND:
2 (A) ANY ASSOCIATED MEMBER;
3 (B) THE PROTECTED-SERIES MANAGER; AND
4 (C) ANY PROTECTED-SERIES TRANSFEREE;
5 (III) RELATIONS BETWEEN ANY ASSOCIATED MEMBER AND:
6 (A) THE PROTECTED-SERIES MANAGER; AND
7 (B) ANY PROTECTED-SERIES TRANSFEREE;
8 (IV) THE RIGHTS AND DUTIES OF A PROTECTED-SERIES MANAGER;
9 (V) GOVERNANCE DECISIONS AFFECTING THE ACTIVITIES AND
10 AFFAIRS OF THE FOREIGN PROTECTED SERIES AND THE CONDUCT OF THOSE
11 ACTIVITIES AND AFFAIRS; AND
12 (VI) PROCEDURES AND CONDITIONS FOR BECOMING AN
13 ASSOCIATED MEMBER OR PROTECTED-SERIES TRANSFEREE;
14 (b) RELATIONS BETWEEN THE FOREIGN PROTECTED SERIES AND:
15 (I) THE COMPANY;
16 (II) ANOTHER FOREIGN PROTECTED SERIES OF THE COMPANY;
17 (III) A MEMBER OF THE COMPANY WHICH IS NOT AN ASSOCIATED
18 MEMBER OF THE FOREIGN PROTECTED SERIES;
19 (IV) A FOREIGN PROTECTED-SERIES MANAGER THAT IS NOT A
20 PROTECTED-SERIES MANAGER OF THE PROTECTED SERIES;
21 (V) A FOREIGN PROTECTED-SERIES TRANSFEREE THAT IS NOT A
22 FOREIGN PROTECTED-SERIES TRANSFEREE OF THE PROTECTED SERIES; AND
23 (VI) A TRANSFEREE OF A TRANSFERABLE INTEREST OF THE
24 COMPANY;
25 (c) EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 7-80-1242 AND
26 7-80-1244, THE LIABILITY OF A PERSON FOR A DEBT, OBLIGATION, OR
27 OTHER LIABILITY OF A FOREIGN PROTECTED SERIES OF A FOREIGN SERIES

1 LIMITED LIABILITY COMPANY IF THE DEBT, OBLIGATION, OR LIABILITY IS
2 ASSERTED SOLELY BY REASON OF THE PERSON BEING OR ACTING AS:

3 (I) AN ASSOCIATED MEMBER, PROTECTED-SERIES TRANSFEREE, OR
4 PROTECTED-SERIES MANAGER OF THE FOREIGN PROTECTED SERIES;

5 (II) A MEMBER OF THE COMPANY WHICH IS NOT AN ASSOCIATED
6 MEMBER OF THE FOREIGN PROTECTED SERIES;

7 (III) A PROTECTED-SERIES MANAGER OF ANOTHER FOREIGN
8 PROTECTED SERIES OF THE COMPANY;

9 (IV) A PROTECTED-SERIES TRANSFEREE OF ANOTHER FOREIGN
10 PROTECTED SERIES OF THE COMPANY;

11 (V) A MANAGER OF THE COMPANY; OR

12 (VI) A TRANSFEREE OF A TRANSFERABLE INTEREST OF THE
13 COMPANY; AND

14 (d) EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 7-80-1242 AND
15 7-80-1244:

16 (I) THE LIABILITY OF THE FOREIGN SERIES LIMITED LIABILITY
17 COMPANY FOR A DEBT, OBLIGATION, OR OTHER LIABILITY OF A FOREIGN
18 PROTECTED SERIES OF THE COMPANY IF THE DEBT, OBLIGATION, OR
19 LIABILITY IS ASSERTED SOLELY BY REASON OF THE FOREIGN PROTECTED
20 SERIES BEING A FOREIGN PROTECTED SERIES OF THE COMPANY OR THE
21 COMPANY:

22 (A) BEING OR ACTING AS A FOREIGN PROTECTED-SERIES MANAGER
23 OF THE FOREIGN PROTECTED SERIES;

24 (B) HAVING THE FOREIGN PROTECTED SERIES MANAGE THE
25 COMPANY; OR

26 (C) OWNING A PROTECTED-SERIES TRANSFERABLE INTEREST OF
27 THE FOREIGN PROTECTED SERIES; AND

1 (II) THE LIABILITY OF A FOREIGN PROTECTED SERIES FOR A DEBT,
2 OBLIGATION, OR OTHER LIABILITY OF THE COMPANY OR ANOTHER FOREIGN
3 PROTECTED SERIES OF THE COMPANY IF THE DEBT, OBLIGATION, OR
4 LIABILITY IS ASSERTED SOLELY BY REASON OF THE FOREIGN PROTECTED
5 SERIES:

6 (A) BEING A FOREIGN PROTECTED SERIES OF THE COMPANY OR
7 HAVING THE COMPANY OR ANOTHER FOREIGN PROTECTED SERIES OF THE
8 COMPANY BE OR ACT AS FOREIGN PROTECTED-SERIES MANAGER OF THE
9 FOREIGN PROTECTED SERIES; OR

10 (B) MANAGING THE COMPANY OR BEING OR ACTING AS A FOREIGN
11 PROTECTED-SERIES MANAGER OF ANOTHER FOREIGN PROTECTED SERIES OF
12 THE COMPANY.

13 **7-80-1272. No attribution of activities constituting doing**
14 **business or for establishing jurisdiction.** (1) IN DETERMINING WHETHER
15 A FOREIGN SERIES LIMITED LIABILITY COMPANY OR FOREIGN PROTECTED
16 SERIES OF THE COMPANY DOES BUSINESS IN THIS STATE OR IS SUBJECT TO
17 THE PERSONAL JURISDICTION OF THE COURTS OF THIS STATE:

18 (a) THE ACTIVITIES AND AFFAIRS OF THE COMPANY ARE NOT
19 ATTRIBUTABLE TO A FOREIGN PROTECTED SERIES OF THE COMPANY
20 SOLELY BY REASON OF THE FOREIGN PROTECTED SERIES BEING A FOREIGN
21 PROTECTED SERIES OF THE COMPANY; AND

22 (b) THE ACTIVITIES AND AFFAIRS OF A FOREIGN PROTECTED SERIES
23 ARE NOT ATTRIBUTABLE TO THE COMPANY OR ANOTHER FOREIGN
24 PROTECTED SERIES OF THE COMPANY SOLELY BY REASON OF THE FOREIGN
25 PROTECTED SERIES BEING A FOREIGN PROTECTED SERIES OF THE COMPANY.

26 **7-80-1273. Statement of foreign entity authority of foreign**
27 **protected series.** (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION

1 AND SUBJECT TO SECTIONS 7-80-1242 AND 7-80-1244, THE LAW OF THIS
2 STATE GOVERNING THE FILING OF A STATEMENT OF FOREIGN ENTITY
3 AUTHORITY OF A FOREIGN LIMITED LIABILITY COMPANY TO DO BUSINESS
4 IN THIS STATE, INCLUDING THE CONSEQUENCES OF NOT COMPLYING WITH
5 THAT LAW, APPLIES TO A FOREIGN PROTECTED SERIES OF A FOREIGN SERIES
6 LIMITED LIABILITY COMPANY AS IF THE FOREIGN PROTECTED SERIES WERE
7 A FOREIGN LIMITED LIABILITY COMPANY FORMED SEPARATELY FROM THE
8 FOREIGN SERIES LIMITED LIABILITY COMPANY AND DISTINCT FROM THE
9 FOREIGN SERIES LIMITED LIABILITY COMPANY AND ANY OTHER FOREIGN
10 PROTECTED SERIES OF THE FOREIGN SERIES LIMITED LIABILITY COMPANY.

11 (2) THE STATEMENT OF FOREIGN ENTITY AUTHORITY OF A FOREIGN
12 PROTECTED SERIES OF A FOREIGN SERIES LIMITED LIABILITY COMPANY FOR
13 REGISTRATION TO DO BUSINESS IN THIS STATE MUST INCLUDE:

14 (a) THE NAME AND JURISDICTION OF FORMATION OF THE FOREIGN
15 SERIES LIMITED LIABILITY COMPANY; AND

16 (b) IF THE COMPANY HAS OTHER FOREIGN PROTECTED SERIES, THE
17 NAME AND STREET AND MAILING ADDRESS OF AN INDIVIDUAL WHO KNOWS
18 THE NAME AND STREET AND MAILING ADDRESS OF:

19 (I) EACH OTHER FOREIGN PROTECTED SERIES OF THE FOREIGN
20 SERIES LIMITED LIABILITY COMPANY; AND

21 (II) THE FOREIGN PROTECTED-SERIES MANAGER OF, AND AGENT
22 FOR SERVICE OF PROCESS FOR, EACH OTHER FOREIGN PROTECTED SERIES
23 OF THE FOREIGN SERIES LIMITED LIABILITY COMPANY.

24 (3) THE NAME OF A FOREIGN PROTECTED SERIES THAT FILES A
25 STATEMENT OF FOREIGN ENTITY AUTHORITY TO DO BUSINESS IN THIS
26 STATE MUST COMPLY WITH SECTION 7-80-1222 AND MAY DO SO USING
27 SECTION 7-90-603 IF THE ASSUMED NAME COMPLIES WITH SECTION

1 7-80-1222.

2 (4) THE REQUIREMENT IN SECTION 7-90-804 TO AMEND A
3 STATEMENT OF FOREIGN ENTITY AUTHORITY TO UPDATE INFORMATION
4 APPLIES TO THE INFORMATION REQUIRED BY SUBSECTION (2) OF THIS
5 SECTION.

6 **7-80-1274. Disclosure required when foreign series limited**
7 **liability company or foreign protected series is party to proceeding.**

8 (1) NOT LATER THAN THIRTY DAYS AFTER BECOMING A PARTY TO A
9 PROCEEDING BEFORE A CIVIL, ADMINISTRATIVE, OR OTHER ADJUDICATIVE
10 TRIBUNAL OF OR LOCATED IN THIS STATE OR A TRIBUNAL OF THE UNITED
11 STATES LOCATED IN THIS STATE:

12 (a) A FOREIGN SERIES LIMITED LIABILITY COMPANY SHALL
13 DISCLOSE TO EACH OTHER PARTY THE NAME AND STREET AND MAILING
14 ADDRESS OF:

15 (I) EACH FOREIGN PROTECTED SERIES OF THE COMPANY; AND

16 (II) EACH FOREIGN PROTECTED-SERIES MANAGER OF, AND A
17 REGISTERED AGENT FOR SERVICE OF PROCESS FOR, EACH FOREIGN
18 PROTECTED SERIES OF THE COMPANY; AND

19 (b) A FOREIGN PROTECTED SERIES OF A FOREIGN SERIES LIMITED
20 LIABILITY COMPANY SHALL DISCLOSE TO EACH OTHER PARTY THE NAME
21 AND STREET AND MAILING ADDRESS OF:

22 (I) THE COMPANY, EACH MANAGER OF THE COMPANY, AND AN
23 AGENT FOR SERVICE OF PROCESS FOR THE COMPANY; AND

24 (II) ANY OTHER FOREIGN PROTECTED SERIES OF THE COMPANY
25 AND EACH FOREIGN PROTECTED-SERIES MANAGER OF, AND AN AGENT FOR
26 SERVICE OF PROCESS FOR, THE OTHER FOREIGN PROTECTED SERIES.

27 (2) IF A FOREIGN SERIES LIMITED LIABILITY COMPANY OR FOREIGN

1 PROTECTED SERIES CHALLENGES THE PERSONAL JURISDICTION OF THE
2 TRIBUNAL, THE REQUIREMENT THAT THE FOREIGN COMPANY OR FOREIGN
3 PROTECTED SERIES MAKE DISCLOSURE UNDER SUBSECTION (1) OF THIS
4 SECTION IS TOLLED UNTIL THE TRIBUNAL DETERMINES WHETHER IT HAS
5 PERSONAL JURISDICTION.

6 (3) IF A FOREIGN SERIES LIMITED LIABILITY COMPANY OR FOREIGN
7 PROTECTED SERIES DOES NOT COMPLY WITH SUBSECTION (1) OF THIS
8 SECTION, A PARTY TO THE PROCEEDING MAY:

9 (a) REQUEST THE TRIBUNAL TO TREAT THE NONCOMPLIANCE AS A
10 FAILURE TO COMPLY WITH THE TRIBUNAL'S DISCOVERY RULES; OR

11 (b) BRING A SEPARATE PROCEEDING IN THE COURT TO ENFORCE
12 SUBSECTION (1) OF THIS SECTION.

13 SUBPART 8

14 MISCELLANEOUS PROVISIONS

15 **7-80-1281. Uniformity of application and construction.** IN
16 APPLYING AND CONSTRUING THIS PART 12, CONSIDERATION MUST BE
17 GIVEN TO THE NEED TO PROMOTE UNIFORMITY OF THE LAW WITH RESPECT
18 TO ITS SUBJECT MATTER AMONG STATES THAT ENACT IT.

19 **7-80-1282. Relation to "Electronic Signatures in Global and
20 National Commerce Act".** THIS PART 12 MODIFIES, LIMITS, OR
21 SUPERSEDES THE FEDERAL "ELECTRONIC SIGNATURES IN GLOBAL AND
22 NATIONAL COMMERCE ACT", 15 U.S.C. SEC. 7001 ET SEQ., BUT DOES NOT
23 MODIFY, LIMIT, OR SUPERSEDE SECTION 101 (c) OF THAT ACT, 15 U.S.C.
24 SEC. 7001 (c), OR AUTHORIZE ELECTRONIC DELIVERY OF ANY OF THE
25 NOTICES DESCRIBED IN SECTION 103 (b) OF THAT ACT, 15 U.S.C. SEC. 7003
26 (b).

27 **7-80-1283. Transitional provisions.** (1) BEFORE JANUARY 1,

1 2022, THIS PART 12 GOVERNS ONLY:

2 (a) A SERIES LIMITED LIABILITY COMPANY FORMED, OR A
3 PROTECTED SERIES ESTABLISHED, ON OR AFTER JANUARY 1, 2021; AND

4 (b) A LIMITED LIABILITY COMPANY THAT IS A SERIES LIMITED
5 LIABILITY COMPANY BEFORE JANUARY 1, 2021, AND ELECTS, IN THE
6 MANNER PROVIDED IN ITS OPERATING AGREEMENT OR BY LAW FOR
7 AMENDING THE OPERATING AGREEMENT, TO BE SUBJECT TO THIS PART 12.

8 (2) IF A SERIES LIMITED LIABILITY COMPANY ELECTS UNDER
9 SUBSECTION (1)(b) OF THIS SECTION TO BE SUBJECT TO THIS PART 12:

10 (a) THE ELECTION APPLIES TO EACH PROTECTED SERIES OF THE
11 COMPANY, WHENEVER ESTABLISHED; AND

12 (b) A MANAGER OF THE COMPANY HAS THE RIGHT TO SIGN AND
13 DELIVER TO THE SECRETARY OF STATE FOR FILING ANY RECORD
14 NECESSARY TO COMPLY WITH THIS PART 12, WHETHER THE RECORD
15 PERTAINS TO THE COMPANY, A PROTECTED SERIES OF THE COMPANY, OR
16 BOTH.

17 (3) ON AND AFTER JANUARY 1, 2022, THIS PART 12 GOVERNS ALL
18 SERIES LIMITED LIABILITY COMPANIES AND PROTECTED SERIES.

19 (4) UNTIL JANUARY 1, 2022, SECTIONS 7-80-1242 AND 7-80-1244
20 DO NOT APPLY TO A FOREIGN PROTECTED SERIES THAT WAS ESTABLISHED
21 BEFORE JANUARY 1, 2021, OR A FOREIGN LIMITED LIABILITY COMPANY
22 THAT BECAME A FOREIGN SERIES LIMITED LIABILITY COMPANY BEFORE
23 JANUARY 1, 2021.

24 **7-80-1284. Saving clause.** THIS PART 12 DOES NOT AFFECT AN
25 ACTION COMMENCED, PROCEEDING BROUGHT, OR RIGHT ACCRUED BEFORE
26 JANUARY 1, 2021.

27 **SECTION 2.** In Colorado Revised Statutes, **amend** 7-80-901 as

1 follows:

2 **7-80-901. Foreign limited liability companies.** EXCEPT AS
3 SPECIFIED IN SECTION 7-80-1271, part 8 of article 90 of this ~~title~~ TITLE 7,
4 providing for the transaction of business or the conduct of activities by
5 foreign entities, applies to foreign limited liability companies.

6 **SECTION 3. Act subject to petition - effective date.** This act
7 takes effect January 1, 2021; except that, if a referendum petition is filed
8 pursuant to section 1 (3) of article V of the state constitution against this
9 act or an item, section, or part of this act within the ninety-day period
10 after final adjournment of the general assembly, then the act, item,
11 section, or part will not take effect unless approved by the people at the
12 general election to be held in November 2020 and, in such case, will take
13 effect January 1, 2021, or on the date of the official declaration of the
14 vote thereon by the governor, whichever is later.

