



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB4361

by Rep. Elaine Nekritz

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Limited Liability Company Act. Establishes distinctions between membership interests. Provides for the appointment of officers. Authorizes the use of oral operating agreements. Makes changes concerning electronic signatures. Makes changes regarding a member's right to information. Provides that members of limited liability company are not agents solely because of membership. Expands the scope of operating agreements. Makes changes concerning unauthorized distributions. Provides that creditors acquire only distributional rights. Requires judicial action for dissolution based upon illegality. Abolishes certain statutory buyout rights. Provides for domestication of foreign companies. Provides for conversion of business entities into other forms. Requires the filing of a post office address for service of process. Limits the ability of companies to transact business until an application is filed with the Secretary of State. Makes technical and other changes. Effective July 1, 2017.

LRB099 15485 KTG 39774 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Limited Liability Company Act is amended by  
5 changing Sections 1-5, 1-30, 1-40, 5-5, 5-45, 5-47, 5-50, 10-1,  
6 10-15, 13-5, 15-1, 15-3, 15-5, 15-7, 20-1, 20-5, 25-35, 30-5,  
7 30-10, 30-20, 35-1, 35-3, 35-4, 35-7, 35-15, 35-20, 35-45,  
8 35-55, 37-5, 37-10, 37-15, 37-20, 37-25, 37-30, 37-40, 50-1,  
9 50-10, and 55-1, by changing the headings of Articles 30 and  
10 37, and by adding Sections 1-6, 1-46, 1-65, 13-15, 13-20,  
11 30-25, 35-37, 37-16, 37-17, 37-21, 37-31, 37-32, 37-33, 37-34,  
12 37-36, and 55-3 as follows:

13 (805 ILCS 180/1-5)

14 Sec. 1-5. Definitions. As used in this Act, unless the  
15 context otherwise requires:

16 "Anniversary" means that day every year exactly one or more  
17 years after: (i) the date the articles of organization filed  
18 under Section 5-5 of this Act were filed by the Office of the  
19 Secretary of State, in the case of a limited liability company;  
20 or (ii) the date the application for admission to transact  
21 business filed under Section 45-5 of this Act was filed by the  
22 Office of the Secretary of State, in the case of a foreign  
23 limited liability company.

1 "Anniversary month" means the month in which the  
2 anniversary of the limited liability company occurs.

3 "Articles of organization" means the articles of  
4 organization filed by the Secretary of State for the purpose of  
5 forming a limited liability company as specified in Article 5  
6 and all amendments thereto, whether evidenced by articles of  
7 amendment, articles of merger, or a statement of correction  
8 affecting the articles.

9 "Assumed limited liability company name" means any limited  
10 liability company name other than the true limited liability  
11 company name, except that the identification by a limited  
12 liability company of its business with a trademark or service  
13 mark of which it is the owner or licensed user shall not  
14 constitute the use of an assumed name under this Act.

15 "Bankruptcy" means bankruptcy under the Federal Bankruptcy  
16 Code of 1978, Title 11, Chapter 7 of the United States Code, as  
17 amended from time to time, or any successor statute.

18 "Business" includes every trade, occupation, profession,  
19 and other lawful purpose, whether or not carried on for profit.

20 "Company" means a limited liability company.

21 "Contribution" means any cash, property, ~~or~~ services  
22 rendered, or other benefit, or a promissory note or other  
23 binding obligation to contribute cash or property, ~~or to~~  
24 perform services, or provide any other benefit, that a person  
25 contributes to the limited liability company in that person's  
26 capacity as a member or in order to become a member.

1 "Court" includes every court and judge having jurisdiction  
2 in a case.

3 "Debtor in bankruptcy" means a person who is the subject of  
4 an order for relief under Title 11 of the United States Code, a  
5 comparable order under a successor statute of general  
6 application, or a comparable order under federal, state, or  
7 foreign law governing insolvency.

8 "Distribution" means a transfer of money, property, or  
9 other benefit from a limited liability company to a member in  
10 the member's capacity as a member or to a transferee of the  
11 member's distributional interest.

12 "Distributional interest" means ~~all of~~ a member's right to  
13 receive interest in distributions of ~~by~~ the limited liability  
14 company's assets, but no other rights or interests of a member  
15 company.

16 "Entity" means a person other than an individual.

17 "Federal employer identification number" means either (i)  
18 the federal employer identification number assigned by the  
19 Internal Revenue Service to the limited liability company or  
20 foreign limited liability company or (ii) in the case of a  
21 limited liability company or foreign limited liability company  
22 not required to have a federal employer identification number,  
23 any other number that may be assigned by the Internal Revenue  
24 Service for purposes of identification.

25 "Foreign limited liability company" means an  
26 unincorporated entity organized under laws other than the laws

1 of this State that afford limited liability to its owners  
2 comparable to the liability under Section 10-10 and is not  
3 required to register to transact business under any law of this  
4 State other than this Act.

5 "Insolvent" means that a limited liability company is  
6 unable to pay its debts as they become due in the usual course  
7 of its business.

8 "Legal representative" means, without limitation, an  
9 executor, administrator, guardian, personal representative and  
10 agent, including an appointee under a power of attorney.

11 "Limited liability company" means a limited liability  
12 company organized under this Act.

13 "L3C" or "low-profit limited liability company" means a  
14 for-profit limited liability company which satisfies the  
15 requirements of Section 1-26 of this Act and does not have as a  
16 significant purpose the production of income or the  
17 appreciation of property.

18 "Manager" means a person, whether or not a member of a  
19 manager-managed company, who is vested with authority in an  
20 operating agreement as provided in ~~under~~ Section 15-1 ~~13-5~~.

21 "Manager-managed company" means a limited liability  
22 company that vests authority in a manager or managers in an  
23 operating agreement as provided in Section 15-1 ~~which is so~~  
24 ~~designated in its articles of organization.~~

25 "Member" means a person who becomes a member of the limited  
26 liability company upon formation of the company or in the

1 manner and at the time provided in the operating agreement or,  
2 if the operating agreement does not so provide, in the manner  
3 and at the time provided in this Act.

4 "Member-managed company" means a limited liability company  
5 other than a manager-managed company.

6 "Membership interest" means all of a member's rights in the  
7 limited liability company, including the member's right to  
8 receive distributions of the limited liability company's  
9 assets.

10 "Operating agreement" means the agreement under Section  
11 15-5, whether or not referred to as an operating agreement and  
12 whether oral, in a record, implied, or in any combination  
13 thereof, of all of the members of a limited liability company,  
14 including a sole member, concerning the relations among the  
15 members, managers, and limited liability company. The term  
16 "operating agreement" includes amendments to the agreement.

17 "Organizer" means one of the signers of the original  
18 articles of organization.

19 "Person" means an individual, partnership, domestic or  
20 foreign limited partnership, limited liability company or  
21 foreign limited liability company, trust, estate, association,  
22 corporation, governmental body, or other juridical being.

23 "Record" means information that is inscribed on a tangible  
24 medium or that is stored in an electronic or other medium and  
25 is retrievable in perceivable form.

26 "Registered office" means that office maintained by the

1 limited liability company in this State, the address, including  
2 street, number, city and county, of which is on file in the  
3 office of the Secretary of State, at which, any process,  
4 notice, or demand required or permitted by law may be served  
5 upon the registered agent of the limited liability company.

6 "Registered agent" means a person who is an agent for  
7 service of process on the limited liability company who is  
8 appointed by the limited liability company and whose address is  
9 the registered office of the limited liability company.

10 "Restated articles of organization" means the articles of  
11 organization restated as provided in Section 5-30.

12 "Sign" means, with the present intent to authenticate or  
13 adopt a record:

14 (1) to execute or adopt a tangible symbol; or

15 (2) to attach to or logically associate with the record  
16 an electronic symbol, sound, or process.

17 "State" means a state, territory, or possession of the  
18 United States, the District of Columbia, or the Commonwealth of  
19 Puerto Rico.

20 "Transfer" includes an assignment, conveyance, deed, bill  
21 of sale, lease, mortgage, security interest, encumbrance, and  
22 gift.

23 (Source: P.A. 96-126, eff. 1-1-10; 97-839, eff. 7-20-12.)

24 (805 ILCS 180/1-6 new)

25 Sec. 1-6. Electronic records. Any requirement in this Act

1 that there be a writing or that any document, instrument, or  
2 agreement be written or in ink is subject to the provisions of  
3 the Electronic Commerce Security Act.

4 (805 ILCS 180/1-30)

5 Sec. 1-30. Powers. Each limited liability company  
6 organized and existing under this Act may do all of the  
7 following:

8 (1) Sue and be sued, complain and defend, and participate  
9 in administrative or other proceedings, in its name.

10 (2) Have a seal, which may be altered at pleasure, and use  
11 the same by causing it, or a facsimile thereof, to be impressed  
12 or affixed or in any other manner reproduced, provided that the  
13 affixing of a seal to an instrument shall not give the  
14 instrument additional force or effect, or change the  
15 construction thereof, and the use of a seal is not mandatory.

16 (3) Purchase, take, receive, lease as lessee, take by gift,  
17 legacy, or otherwise acquire, own, hold, use, and otherwise  
18 deal in and with any real or personal property, or any interest  
19 therein, wherever situated.

20 (4) Sell, convey, mortgage, pledge, lease as lessor, and  
21 otherwise dispose of all or any part of its property and  
22 assets.

23 (5) Lend money to and otherwise assist its members and  
24 employees.

25 (6) Purchase, take, receive, subscribe for or otherwise



1 acquire, own, hold, vote, use, employ, sell, mortgage, loan,  
2 pledge, or otherwise dispose of, and otherwise use and deal in  
3 and with, shares or other interests in or obligations of other  
4 limited liability companies, domestic or foreign corporations,  
5 associations, general or limited partnerships, or individuals.

6 (7) Incur liabilities, borrow money for its proper purposes  
7 at any rate of interest the limited liability company may  
8 determine without regard to the restrictions of any usury law  
9 of this State, issue notes, bonds, and other obligations,  
10 secure any of its obligations by mortgage or pledge or deed of  
11 trust of all or any part of its property, franchises, and  
12 income, and make contracts, including contracts of guaranty and  
13 suretyship.

14 (8) Invest its surplus funds from time to time, lend money  
15 for its proper purposes, and take and hold real and personal  
16 property as security for the payment of funds so loaned or  
17 invested.

18 (9) Conduct its business, carry on its operations, have  
19 offices within and without this State, and exercise in any  
20 other state, territory, district, or possession of the United  
21 States or in any foreign country the powers granted by this  
22 Act.

23 (10) Designate ~~Elect~~ managers and appoint officers and  
24 other agents of the limited liability company, define their  
25 duties, and fix their compensation.

26 (11) Enter into or amend an operating agreement, not

1 inconsistent with the laws of this State, for the  
2 administration and regulation of the affairs of the limited  
3 liability company.

4 (12) Make donations for the public welfare or for  
5 charitable, scientific, religious, or educational purposes,  
6 lend money to the government, and transact any lawful business  
7 in aid of the United States.

8 (13) Establish deferred compensation plans, pension plans,  
9 profit-sharing plans, bonus plans, option plans, and other  
10 incentive plans for its managers and employees and make the  
11 payments provided for therein.

12 (14) Become a promoter, partner, member, associate, or  
13 manager of any general partnership, limited partnership, joint  
14 venture or similar association, any other limited liability  
15 company, or other enterprise.

16 (15) Have and exercise all powers necessary or convenient  
17 to effect any or all of the purposes for which the limited  
18 liability company is organized.

19 (Source: P.A. 90-424, eff. 1-1-98.)

20 (805 ILCS 180/1-40)

21 Sec. 1-40. Records to be kept.

22 (a) Each limited liability company shall keep at the  
23 principal place of business of the company named in the  
24 articles of organization or other reasonable locations  
25 specified in the operating agreement all of the following:

1           (1) A list of the full name and last known address of  
2 each member setting forth the amount of cash each member  
3 has contributed, a description and statement of the agreed  
4 value of the other property or services each member has  
5 contributed or has agreed to contribute in the future, and  
6 the date on which each became a member.

7           (2) A copy of the articles of organization, as amended  
8 or restated, together with executed copies of any powers of  
9 attorney under which any articles, application, or  
10 certificate has been executed.

11           (3) Copies of the limited liability company's federal,  
12 State, and local income tax returns and reports, if any,  
13 for the 3 most recent years.

14           (4) Copies of any then effective written operating  
15 agreement and any amendments thereto and of any financial  
16 statements of the limited liability company for the 3 most  
17 recent years.

18           (b) Records kept under this Section may be inspected and  
19 copied at the request and expense of any member or legal  
20 representative of a deceased member or member under legal  
21 disability during ordinary business hours.

22           (c) The rights under subsection (b) of this Section also  
23 extend to a transferee of a distributional interest, but only  
24 for a proper purpose. In order to exercise this right, a  
25 transferee must make written demand upon the limited liability  
26 company, stating with particularity the records sought to be

1 inspected and the purpose of the demand.

2 (d) Within 10 days after receiving a demand pursuant to  
3 subsection (c):

4 (1) the company shall provide the information demanded  
5 or, in a record, a description of the information the  
6 company will provide, stating a reasonable time within  
7 which it will be provided and the place where it will be  
8 provided; and

9 (2) if the company declines to provide any demanded  
10 information, the company shall state its reasons for  
11 declining to the transferee in a record.

12 A transferee may exercise the rights under this subsection  
13 through a legal representative.

14 (Source: P.A. 90-424, eff. 1-1-98.)

15 (805 ILCS 180/1-46 new)

16 Sec. 1-46. Applicability of statute of frauds. An operating  
17 agreement is enforceable whether or not there is a writing  
18 signed or record authenticated by a party against whom  
19 enforcement is sought, even if the agreement is not capable of  
20 performance within one year of its making.

21 (805 ILCS 180/1-65 new)

22 Sec. 1-65. Governing law. The law of this State governs:

23 (1) the internal affairs and organization of a limited  
24 liability company;

1           (2) the liability of a member as member and a manager  
2           as manager for the debts, obligations, or other liabilities  
3           of a limited liability company;

4           (3) the internal affairs and establishment of a series  
5           of a limited liability company;

6           (4) the liability of a member or a manager associated  
7           with a series for the debts, obligations, or other  
8           liabilities of the series; and

9           (5) the liability of a series for the debts,  
10          obligations, or other liabilities of the limited liability  
11          company that established the series or for another series  
12          established by the limited liability company, and the  
13          liability of the limited liability company for the debts,  
14          obligations, or other liabilities of a series established  
15          by the limited liability company.

16           (805 ILCS 180/5-5)

17           Sec. 5-5. Articles of organization.

18           (a) The articles of organization shall set forth all of the  
19           following:

20           (1) The name of the limited liability company and the  
21           address of its principal place of business which may, but  
22           need not be a place of business in this State.

23           (2) The purposes for which the limited liability  
24           company is organized, which may be stated to be, or to  
25           include, the transaction of any or all lawful businesses

1 for which limited liability companies may be organized  
2 under this Act.

3 (3) The name of its registered agent and the address of  
4 its registered office.

5 (4) A confirmation that ~~if~~ the limited liability  
6 company complies with the requirement in subsection (b) of  
7 Section 5-1 that the company has one or more members at the  
8 time of filing or, if the filing is to be effective on a  
9 later date, that the company will have one or more members  
10 on the date the filing is to be effective ~~is to be managed~~  
11 ~~by a manager or managers, the names and business addresses~~  
12 ~~of the initial manager or managers.~~

13 (5) The name and business address of all of the  
14 managers and any member having the authority of a manager  
15 ~~If management of the limited liability company is to be~~  
16 ~~vested in the members under Section 15-1, then the names~~  
17 ~~and addresses of the initial member or members.~~

18 (5.5) The duration of the limited liability company,  
19 which shall be perpetual unless otherwise stated.

20 (6) (Blank).

21 (7) The name and address of each organizer.

22 (8) Any other provision, not inconsistent with law,  
23 that the members elect to set out in the articles of  
24 organization for the regulation of the internal affairs of  
25 the limited liability company, including any provisions  
26 that, under this Act, are required or permitted to be set

1 out in the operating agreement of the limited liability  
2 company.

3 (b) A limited liability company is organized at the time  
4 articles of organization are filed by the Secretary of State or  
5 at any later time, not more than 60 days after the filing of  
6 the articles of organization, specified in the articles of  
7 organization.

8 (c) Articles of organization for the organization of a  
9 limited liability company for the purpose of accepting and  
10 executing trusts shall not be filed by the Secretary of State  
11 until there is delivered to him or her a statement executed by  
12 the Secretary of Financial and Professional Regulation or  
13 successor State board, department, or agency having  
14 jurisdiction over the regulation of trust companies that the  
15 organizers of the limited liability company have made  
16 arrangements with the Secretary of Financial and Professional  
17 Regulation or successor State board, department, or agency  
18 having jurisdiction over the regulation of trust companies to  
19 comply with the Corporate Fiduciary Act.

20 (d) Articles of organization for the organization of a  
21 limited liability company as a bank or a savings bank must be  
22 filed with the Secretary ~~Department~~ of Financial and  
23 Professional Regulation or successor State board, department,  
24 or agency having jurisdiction over the regulation of banks or  
25 savings banks or, if the bank or savings bank will be organized  
26 under federal law, with the appropriate federal banking

1 regulator.

2 (Source: P.A. 98-171, eff. 8-5-13; 99-227, eff. 8-3-15.)

3 (805 ILCS 180/5-45)

4 Sec. 5-45. Forms, execution, acknowledgement and filing.

5 (a) All reports required by this Act to be filed in the  
6 Office of the Secretary of State shall be made on forms  
7 prescribed and furnished by the Secretary of State. Forms for  
8 all other documents to be filed in the Office of the Secretary  
9 of State shall be furnished by the Secretary of State upon  
10 request therefor, but the use thereof, unless otherwise  
11 specifically prescribed in this Act, shall not be mandatory.

12 (b) Whenever any provision of this Act specifically  
13 requires any document to be executed by the limited liability  
14 company in accordance with this Section, unless otherwise  
15 specifically stated in this Act and subject to any additional  
16 provisions of this Act, the document shall be signed ~~executed,~~  
17 ~~in ink,~~ as follows:

18 (1) The initial articles of organization shall be  
19 signed by the organizer or organizers.

20 (2) A document filed on behalf of a dissolved limited  
21 liability company that has no members must be signed by the  
22 person winding up the company's activities under Section  
23 35-4.

24 (3) Any other document must be signed by a person  
25 authorized by the limited liability company to sign it. All



1 ~~other documents shall be signed:~~

2 ~~(A) by a manager and verified by him or her; or~~

3 ~~(B) if there are no managers, then by the members~~  
4 ~~or those of them that may be designated by a majority~~  
5 ~~vote of the members.~~

6 (c) The name of a person signing the document and the  
7 capacity in which the person signs shall be stated beneath or  
8 opposite the person's signature.

9 (d) The execution of any document required by this Act by a  
10 person ~~member or manager~~ constitutes an affirmation under the  
11 penalties of perjury that the facts stated therein are true and  
12 that the person has authority to execute the document.

13 (e) When filed in the Office of the Secretary of State, an  
14 authorization, including a power of attorney, to sign a record  
15 must be in writing, then sworn to, verified, or acknowledged.

16 (Source: P.A. 90-424, eff. 1-1-98.)

17 (805 ILCS 180/5-47)

18 Sec. 5-47. Statement of correction.

19 (a) Whenever any instrument authorized to be filed with the  
20 Secretary of State under any provision of this Act has been so  
21 filed and, as of the date of the action therein referred to,  
22 contains any misstatement of fact, typographical error, error  
23 of transcription, or ~~any~~ other error or defect or was  
24 defectively or erroneously executed, such instrument may be  
25 corrected by filing, in accordance with Section 5-45 of this

1 Act, a statement of correction.

2 (b) A statement of correction shall set forth:

3 (1) The name of the limited liability company and the  
4 state or country under the laws of which it is organized.

5 (2) The title of the instrument being corrected and the  
6 date it was filed by the Secretary of State.

7 (3) The inaccuracy, error, or defect to be corrected  
8 and the portion of the instrument in corrected form.

9 (c) A statement of correction shall be executed in the same  
10 manner in which the instrument being corrected was required to  
11 be executed.

12 (d) The corrected instrument shall be effective as of the  
13 date the original instrument was filed.

14 (e) A statement of correction shall not:

15 (1) Effect any change or amendment of articles which  
16 would not in all respects have complied with the  
17 requirements of this Act at the time of filing the  
18 instrument being corrected.

19 (2) Take the place of any document, statement, or  
20 report otherwise required to be filed by this Act.

21 (3) Affect any right or liability accrued or incurred  
22 before such filing, except that any right or liability  
23 accrued or incurred by reason of the error or defect being  
24 corrected shall be extinguished by such filing if the  
25 person having such right has not detrimentally relied on  
26 the original instrument.

1           (4) (Blank). ~~Alter the provisions of the articles of~~  
2 ~~organization with respect to the limited liability company~~  
3 ~~name, purpose, ability to establish series, or the names~~  
4 ~~and addresses of the organizers, initial manager or~~  
5 ~~managers, and initial member or members.~~

6           (5) (Blank). ~~Alter the provisions of the application~~  
7 ~~for admission to transact business as a foreign limited~~  
8 ~~liability company with respect to the limited liability~~  
9 ~~name or ability to establish series.~~

10          (6) (Blank). ~~Alter the provisions of the application to~~  
11 ~~adopt or change an assumed limited liability company name~~  
12 ~~with respect to the assumed limited liability company name.~~

13          (7) Alter the wording of any resolution as filed in any  
14 document with the Secretary of State and which was in fact  
15 adopted by the members or managers.

16 (Source: P.A. 95-368, eff. 8-23-07.)

17 (805 ILCS 180/5-50)

18 Sec. 5-50. Amendment or termination ~~dissolution~~ by  
19 judicial act. If a person required by Section 5-45 to execute  
20 an amendment or statement ~~articles~~ of termination ~~dissolution~~  
21 fails or refuses to do so, any other member and any transferee  
22 of a limited liability company interest, who is adversely  
23 affected by the failure or refusal, may petition a court to  
24 direct the amendment or statement of termination ~~dissolution~~.  
25 If the court finds that the amendment or statement of

1 termination ~~dissolution~~ is proper and that any person so  
2 designated has failed or refused to execute the amendment or  
3 statement ~~articles~~ of termination ~~dissolution~~, it shall order  
4 the Secretary of State to record an appropriate amendment or  
5 statement of termination ~~dissolution~~.

6 (Source: P.A. 90-424, eff. 1-1-98.)

7 (805 ILCS 180/10-1)

8 Sec. 10-1. Admission of members.

9 (a) A person becomes a member of a limited liability  
10 company:

11 (1) upon formation of the company, as provided in an  
12 agreement between the organizer and the initial member if  
13 there is only one member, or as provided in an agreement  
14 among initial members if there is more than one member;

15 (2) after the formation of the company,

16 (A) as provided in the operating agreement;

17 (B) as the result of a transaction effective under  
18 Article 37;

19 (C) with the consent of all the members; or

20 (D) if, within 180 consecutive days after the  
21 company ceases to have any members:

22 (i) the last person to have been a member, or  
23 the legal representative of that person,  
24 designates a person to become a member; and

25 (ii) the designated person consents to become

1                   a member.

2                   (b) A person that acquires a distributional interest, but  
3 that does not become a member, has merely the rights of a  
4 transferee under Sections 30-5 and 30-10.

5                   (c) A person may become a member without acquiring a  
6 distributional interest and without making or being obligated  
7 to make a contribution to the limited liability company. After  
8 the filing of the articles of organization, a person who  
9 acquires a membership interest directly from the limited  
10 liability company or is a transferee of a membership interest  
11 may be admitted as a member with unanimous consent of the  
12 members.

13                   (Source: P.A. 90-424, eff. 1-1-98.)

14                   (805 ILCS 180/10-15)

15                   Sec. 10-15. Right of members and dissociated members  
16 Member's right to information.

17                   (a) A company shall furnish information when any member  
18 demands it in a record concerning the company's activities,  
19 financial condition, and other circumstances of the company's  
20 business necessary to the proper exercise of a member's rights  
21 and duties under the operating agreement or this Act or that is  
22 otherwise material to the membership interest of a member,  
23 unless the company knows that the member already knows that  
24 information.

25                   (b) The following rules apply when a member makes a demand

1 for information under this Section:

2 (1) During regular business hours and at a reasonable  
3 location and time specified by the company, a member may  
4 obtain from the company, inspect, and copy information for  
5 a purpose consistent with subsection (a).

6 (2) Within 10 days after receiving a demand pursuant to  
7 subsection (a):

8 (A) the company shall provide the information  
9 demanded or, in a record, a description of the  
10 information the company will provide, stating a  
11 reasonable time within which it will be provided and  
12 the place where it will be provided; and

13 (B) if the company declines to provide any demanded  
14 information, the company shall state its reasons for  
15 declining to the member in a record.

16 (c) Whenever this Act or an operating agreement provides  
17 for a member to give or withhold consent to a matter, before  
18 the consent is given or withheld, the company shall, without  
19 demand, provide the member with all information that is known  
20 to the company that is material to the member's decision.

21 (d) Within 10 days after a demand made in a record received  
22 by the limited liability company, a dissociated member may have  
23 access to information to which the person was entitled while a  
24 member if the information pertains to the period during which  
25 the person was a member, and the person seeks the information  
26 in good faith for a purpose consistent with subsection (a). The

1 company shall respond to a demand made pursuant to this  
2 subsection in the manner provided in subdivisions (A) and (B)  
3 of paragraph (2) of subsection (b).

4 (e) A limited liability company may charge a person that  
5 makes a demand under this Section the reasonable costs of  
6 copying, limited to the costs of labor and material.

7 (f) A member or dissociated member may exercise rights  
8 under this Section through an agent or, in the case of an  
9 individual under legal disability, a legal representative. Any  
10 restriction or condition imposed by the operating agreement or  
11 under subsection (h) applies both to the agent or legal  
12 representative and the member or dissociated member.

13 (g) The rights under this Section do not extend to a person  
14 as transferee.

15 (h) In addition to any restriction or condition stated in  
16 its operating agreement, the limited liability company, as a  
17 matter within the ordinary course of its activities, may impose  
18 reasonable restrictions and conditions on access to and use of  
19 information to be furnished under this Section including, but  
20 not limited to, the designation of information such as trade  
21 secrets or information subject to confidentiality agreements  
22 with third parties as confidential with appropriate  
23 nondisclosure and safeguarding obligations. In a dispute  
24 concerning the reasonableness of a restriction or designation  
25 under this subsection, the company has the burden of proving  
26 reasonableness.

1        (i) This Section does not limit or restrict the right to  
2        inspect and copy records as provided in subsection (b) of  
3        Section 1-40. ~~(a) A limited liability company shall provide~~  
4        ~~members and their agents and attorneys access to its records,~~  
5        ~~including the records required to be kept under Section 1-40,~~  
6        ~~at the company's principal place of business or other~~  
7        ~~reasonable locations specified in the operating agreement. The~~  
8        ~~company shall provide former members and their agents and~~  
9        ~~attorneys access for proper purposes to records pertaining to~~  
10       ~~the period during which they were members. The right of access~~  
11       ~~provides the opportunity to inspect and copy records during~~  
12       ~~ordinary business hours. The company may impose a reasonable~~  
13       ~~charge, limited to the costs of labor and material, for copies~~  
14       ~~of records furnished.~~

15       ~~(b) A member has the right upon written demand given to the~~  
16       ~~limited liability company to obtain at the company's expense a~~  
17       ~~copy of any written operating agreement.~~

18       (Source: P.A. 90-424, eff. 1-1-98.)

19       (805 ILCS 180/13-5)

20       Sec. 13-5. No agency power of a member as member. ~~Agency of~~  
21       ~~members and managers.~~

22       (a) A member is not an agent of a limited liability company  
23       solely by reason of being a member. ~~Subject to subsections (b)~~  
24       ~~and (c):~~

25       (b) Nothing herein shall be deemed to limit the effect of



1 law other than this Act, including the law of agency.

2 (c) A person's status as a member does not prevent or  
3 restrict law other than this Act from imposing liability on a  
4 limited liability company because of the person's conduct.

5 ~~(1) Each member is an agent of the limited liability~~  
6 ~~company for the purpose of its business, and an act of a~~  
7 ~~member, including the signing of an instrument in the~~  
8 ~~company's name, for apparently carrying on, in the ordinary~~  
9 ~~course, the company's business or business of the kind~~  
10 ~~carried on by the company binds the company, unless the~~  
11 ~~member had no authority to act for the company in the~~  
12 ~~particular matter and the person with whom the member was~~  
13 ~~dealing knew or had notice that the member lacked~~  
14 ~~authority.~~

15 ~~(2) An act of a member that is not apparently for~~  
16 ~~carrying on, in the ordinary course, the company's business~~  
17 ~~or business of the kind carried on by the company binds the~~  
18 ~~company only if the act was authorized by the other~~  
19 ~~members.~~

20 ~~(b) Subject to subsection (c), in a manager managed~~  
21 ~~company:~~

22 ~~(1) A member is not an agent of the company for the~~  
23 ~~purpose of its business solely by reason of being a member.~~  
24 ~~Each manager is an agent of the company for the purpose of~~  
25 ~~its business, and an act of a manager, including the~~  
26 ~~signing of an instrument in the company's name, for~~

1 ~~apparently carrying on, in the ordinary course, the~~  
2 ~~company's business or business of the kind carried on by~~  
3 ~~the company binds the company, unless the manager had no~~  
4 ~~authority to act for the company in the particular matter~~  
5 ~~and the person with whom the manager was dealing knew or~~  
6 ~~had notice that the manager lacked authority.~~

7 ~~(2) An act of a manager which is not apparently for~~  
8 ~~carrying on, in the ordinary course, the company's business~~  
9 ~~or business of the kind carried on by the company binds the~~  
10 ~~company only if the act was authorized under Section 15-1.~~

11 ~~(c) Unless the articles of organization limit their~~  
12 ~~authority, any member of a member-managed company or manager of~~  
13 ~~a manager-managed company may sign and deliver any instrument~~  
14 ~~transferring or affecting the company's interest in real~~  
15 ~~property. The instrument is conclusive in favor of a person who~~  
16 ~~gives value without knowledge of the lack of the authority of~~  
17 ~~the person signing and delivering the instrument.~~

18 (Source: P.A. 90-424, eff. 1-1-98.)

19 (805 ILCS 180/13-15 new)

20 Sec. 13-15. Statement of authority.

21 (a) A limited liability company may deliver to the  
22 Secretary of State for filing a statement of authority. The  
23 statement:

24 (1) must include the name of the company and the  
25 address of its principal place of business; and

1           (2) may state the authority, or limitations on the  
2           authority, of any member or manager of the company or any  
3           other person to:

4                   (A) execute an instrument transferring real  
5                   property held in the name of the company; or

6                   (B) enter into other transactions on behalf of, or  
7                   otherwise act for or bind, the company.

8           (b) To amend or cancel a statement of authority, a limited  
9           liability company must deliver to the Secretary of State for  
10           filing a statement of amendment or cancellation. The statement  
11           must include:

12                   (1) the name of the limited liability company and the  
13                   address of its principal place of business;

14                   (2) the date the statement of authority being amended  
15                   or cancelled became effective; and

16                   (3) the contents of the amendment or a declaration that  
17                   the statement of authority is canceled.

18           (c) Except as otherwise provided in subsections (e) and  
19           (f), a limitation on the authority of a member or manager of  
20           the limited liability company contained in a statement of  
21           authority is not by itself evidence of knowledge or notice of  
22           the limitation by any person.

23           (d) A grant of authority not pertaining to transfers of  
24           real property and contained in a statement of authority is  
25           conclusive in favor of a person that is not a member and that  
26           gives value in reliance on the grant, except to the extent that

1 when the person gives value, the person has knowledge to the  
2 contrary.

3 (e) A certified copy of a statement of authority that  
4 grants authority to transfer real property held in the name of  
5 the limited liability company and that is recorded in the  
6 office for recording transfers of the real property is  
7 conclusive in favor of a person that is not a member and that  
8 gives value in reliance on the grant without knowledge to the  
9 contrary.

10 (f) If a certified copy of a statement of authority  
11 containing a limitation on the authority to transfer real  
12 property held in the name of a limited liability company is  
13 recorded in the office for recording transfers of that real  
14 property, all persons that are not members are deemed to know  
15 of the limitation.

16 (g) Unless previously cancelled by a statement of  
17 cancellation, a statement of authority expires as of the date,  
18 if any, specified in the statement of authority.

19 (h) If the articles of organization state the authority or  
20 limitations on the authority of any person on behalf of a  
21 company, the authority stated or limited shall not bind any  
22 person who is not a member or manager until that person  
23 receives actual notice in a record from the company that agency  
24 authority is stated or limited in the articles. If the  
25 authority stated or limited in the articles of organization  
26 conflicts with authority stated or limited in a statement of

1 authority filed with the Secretary of State under this Section  
2 on behalf of the company, the statement of authority is the  
3 effective statement and a person who is not a member or manager  
4 may rely upon the terms of the filed statement of authority  
5 notwithstanding conflicting terms in the articles of  
6 organization.

7 (805 ILCS 180/13-20 new)

8 Sec. 13-20. Statement of denial. A person named in a filed  
9 statement of authority granting that person authority may  
10 deliver to the Secretary of State for filing a statement of  
11 denial that:

12 (1) provides the name of the limited liability company  
13 and the caption of the statement of authority to which the  
14 statement of denial pertains; and

15 (2) denies the grant of authority.

16 An effective statement of denial operates as a restrictive  
17 amendment under subsection (b) of Section 13-15 and, if a  
18 certified copy thereof is recorded in the office for recording  
19 transfers of real property in which a prior statement of  
20 authority has been recorded as provided in subsection (e) of  
21 Section 13-15, the statement of denial shall be deemed a  
22 limitation on the statement of authority for purposes of  
23 subsection (f) of Section 13-15.

24 (805 ILCS 180/15-1)

1           Sec. 15-1. Management of limited liability company.

2           (a) A limited liability company is a member-managed limited  
3 liability company unless the operating agreement:

4           (1) expressly provides that:

5           (A) the company is or will be manager-managed;

6           (B) the company is or will be managed by managers;

7           or

8           (C) management of the company is or will be vested

9           in managers; or

10          (2) includes words of similar import.

11          (b) ~~(a)~~ In a member-managed company:

12           (1) each member has equal rights in the management and  
13           conduct of the company's business; and

14           (2) except as otherwise provided in subsection (d) ~~(e)~~  
15           of this Section, any matter relating to the business of the  
16           company may be decided by a majority of the members.

17          (c) ~~(b)~~ In a manager-managed company:

18           (1) each manager has equal rights in the management and  
19           conduct of the company's business;

20           (2) except as otherwise provided in subsection (d) ~~(e)~~  
21           of this Section, any matter relating to the business of the  
22           company may be exclusively decided by the manager or, if  
23           there is more than one manager, by a majority of the  
24           managers; and

25           (3) a manager:

26           (A) must be designated, appointed, elected,

1 removed, or replaced by a vote, approval, or consent of  
2 a majority of the members; and

3 (B) holds office until a successor has been elected  
4 and qualified, unless the manager sooner resigns or is  
5 removed.

6 (d) ~~(e)~~ The only matters of a member or manager-managed  
7 company's business requiring the consent of all of the members  
8 are the following:

9 (1) the amendment of the operating agreement under  
10 Section 15-5;

11 (2) an amendment to the articles of organization under  
12 Article 5;

13 (3) the compromise of an obligation to make a  
14 contribution under Section 20-5;

15 (4) the compromise, as among members, of an obligation  
16 of a member to make a contribution or return money or other  
17 property paid or distributed in violation of this Act;

18 (5) the ~~making of interim distributions under~~  
19 ~~subsection (a) of Section 25-1, including the redemption of~~  
20 an interest;

21 (6) the admission of a new member;

22 (7) the use of the company's property to redeem an  
23 interest subject to a charging order;

24 (8) the consent to dissolve the company under  
25 subdivision (2) of subsection (a) of Section 35-1;

26 ~~(9) a waiver of the right to have the company's~~

1 ~~business wound up and the company terminated under Section~~  
2 ~~35-3,~~

3 (9) ~~(10)~~ the consent of members to convert, merge with  
4 another entity or domesticate under Article 37 ~~under~~  
5 ~~Section 37-20;~~ and

6 (10) ~~(11)~~ the sale, lease, exchange, or other disposal  
7 of all, or substantially all, of the company's property  
8 with or without goodwill.

9 (e) ~~(d)~~ Action requiring the consent of members or managers  
10 under this Act may be taken without a meeting.

11 (f) ~~(e)~~ A member or manager may appoint a proxy to vote or  
12 otherwise act for the member or manager by signing an  
13 appointment instrument, either personally or by the member or  
14 manager's attorney-in-fact.

15 (Source: P.A. 90-424, eff. 1-1-98.)

16 (805 ILCS 180/15-3)

17 Sec. 15-3. General standards of member and manager's  
18 conduct.

19 (a) The fiduciary duties a member owes to a member-managed  
20 company and its other members include the duty of loyalty and  
21 the duty of care referred to in subsections (b) and (c) of this  
22 Section.

23 (b) A member's duty of loyalty to a member-managed company  
24 and its other members includes the following:

25 (1) to account to the company and to hold as trustee



1 for it any property, profit, or benefit derived by the  
2 member in the conduct or winding up of the company's  
3 business or derived from a use by the member of the  
4 company's property, including the appropriation of a  
5 company's opportunity;

6 (2) to act fairly when a member deals with the company  
7 in the conduct or winding up of the company's business as  
8 or on behalf of a party having an interest adverse to the  
9 company; and

10 (3) to refrain from competing with the company in the  
11 conduct of the company's business before the dissolution of  
12 the company.

13 (c) A member's duty of care to a member-managed company and  
14 its other members in the conduct of and winding up of the  
15 company's business is limited to refraining from engaging in  
16 grossly negligent or reckless conduct, intentional misconduct,  
17 or a knowing violation of law.

18 (d) A member shall discharge his or her duties to a  
19 member-managed company and its other members under this Act or  
20 under the operating agreement and exercise any rights  
21 consistent with the obligation of good faith and fair dealing.

22 (e) A member of a member-managed company does not violate a  
23 duty or obligation under this Act or under the operating  
24 agreement merely because the member's conduct furthers the  
25 member's own interest.

26 (f) This Section applies to a person winding up the limited

1 liability company's business as the personal or legal  
2 representative of the last surviving member as if the person  
3 were a member.

4 (g) In a manager-managed company:

5 (1) a member who is not also a manager owes no duties  
6 to the company or to the other members solely by reason of  
7 being a member;

8 (2) a manager is held to the same standards of conduct  
9 prescribed for members in subsections (b), (c), (d), and  
10 (e) of this Section;

11 (3) a member who exercises some or all of the authority  
12 of a manager and conduct of the company's business is held  
13 to the standards of conduct in subsections (b), (c), (d),  
14 and (e) of this Section ~~to the extent that the member~~  
15 ~~exercises the managerial authority vested in a manager by~~  
16 ~~this Act~~; and

17 (4) a manager is relieved of liability imposed by law  
18 for violations of the standards prescribed by subsections  
19 (b), (c), (d), and (e) to the extent of the managerial  
20 authority delegated to the members by the operating  
21 agreement.

22 (Source: P.A. 95-331, eff. 8-21-07; 96-263, eff. 1-1-10.)

23 (805 ILCS 180/15-5)

24 Sec. 15-5. Operating agreement.

25 (a) All members of a limited liability company may enter

1 into an operating agreement to regulate the affairs of the  
2 company and the conduct of its business and to govern relations  
3 among the members, managers, and company. The operating  
4 agreement may establish that a limited liability company is a  
5 manager-managed limited liability company and the rights and  
6 duties under this Act of a person in the capacity of a manager.

7 To the extent the operating agreement does not otherwise  
8 provide, this Act governs relations among the members,  
9 managers, and company. Except as provided in subsections  
10 subsection (b), (c), (d), and (e) of this Section, an operating  
11 agreement may modify any provision or provisions of this Act  
12 governing relations among the members, managers, and company.

13 (b) The operating agreement may not:

14 (1) unreasonably restrict a right to information or  
15 access to records under Section 1-40 or Section 10-15;

16 (2) vary the right to expel a member in an event  
17 specified in subdivision (6) of Section 35-45;

18 (3) vary the requirement to wind up the limited  
19 liability company's business in a case specified in  
20 subdivision ~~subdivisions~~ (3) or (4), (5), or (6) of  
21 subsection (a) of Section 35-1;

22 (4) restrict rights of a person, other than a manager,  
23 member, and transferee of a member's distributional  
24 interest, under this Act;

25 (5) restrict the power of a member to dissociate under  
26 Section 35-50, although an operating agreement may

1 determine whether a dissociation is wrongful under Section  
2 35-50, ~~and it may eliminate or vary the obligation of the~~  
3 ~~limited liability company to purchase the dissociated~~  
4 ~~member's distributional interest under Section 35-60;~~

5 (6) (blank); ~~eliminate or reduce a member's fiduciary~~  
6 ~~duties, but may,~~

7 ~~(A) identify specific types or categories of~~  
8 ~~activities that do not violate these duties, if not~~  
9 ~~manifestly unreasonable; and~~

10 ~~(B) specify the number or percentage of members or~~  
11 ~~disinterested managers that may authorize or ratify,~~  
12 ~~after full disclosure of all material facts, a~~  
13 ~~specific act or transaction that otherwise would~~  
14 ~~violate these duties;~~

15 (6.5) eliminate or reduce the obligations or purposes a  
16 low-profit limited liability company undertakes when  
17 organized under Section 1-26; ~~or~~

18 (7) eliminate or reduce the obligation of good faith  
19 and fair dealing under subsection (d) of Section 15-3, but  
20 the operating agreement may determine the standards by  
21 which the performance of the member's duties or the  
22 exercise of the member's rights ~~obligation~~ is to be  
23 measured; ~~, if the standards are not manifestly~~  
24 ~~unreasonable.~~

25 (8) eliminate, vary, or restrict the priority of a  
26 statement of authority over provisions in the articles of

1 organization as provided in subsection (h) of Section  
2 13-15;

3 (9) vary the law applicable under Section 1-65;

4 (10) vary the power of the court under Section 5-50; or

5 (11) restrict the right to approve a merger,  
6 conversion, or domestication under Article 37 of a member  
7 that will have personal liability with respect to a  
8 surviving, converted, or domesticated organization.

9 (c) The operating agreement may:

10 (1) restrict or eliminate a fiduciary duty, other than  
11 the duty of care described in subsection (c) of Section  
12 15-3, but only to the extent the restriction or elimination  
13 in the operating agreement is clear and unambiguous;

14 (2) identify specific types or categories of  
15 activities that do not violate any fiduciary duty; and

16 (3) alter the duty of care, except to authorize  
17 intentional misconduct or knowing violation of law.

18 (d) The operating agreement may specify the method by which  
19 a specific act or transaction that would otherwise violate the  
20 duty of loyalty may be authorized or ratified by one or more  
21 disinterested and independent persons after full disclosure of  
22 all material facts.

23 (e) The operating agreement may alter or eliminate the  
24 right to payment or reimbursement for a member or manager  
25 provided by Section 15-7 and may eliminate or limit a member or  
26 manager's liability to the limited liability company and

1 members for money damages, except for:

2 (1) subject to subsections (c) and (d) of this Section,  
3 breach of the duties as required in subdivisions (1), (2),  
4 and (3) of subsection (b) of Section 15-3 and subsection  
5 (g) of Section 15-3;

6 (2) a financial benefit received by the member or  
7 manager to which the member or manager is not entitled;

8 (3) a breach of a duty under Section 25-35;

9 (4) intentional infliction of harm on the company or a  
10 member; or

11 (5) an intentional violation of criminal law.

12 (f) A limited liability company is bound by and may enforce  
13 the operating agreement, whether or not the company has itself  
14 manifested assent to the operating agreement.

15 (g) A person that becomes a member of a limited liability  
16 company is deemed to assent to the operating agreement.

17 (h) An operating agreement may be entered into before,  
18 after, or at the time of filing of articles of organization  
19 and, whether entered into before, after, or at the time of the  
20 filing, may be made effective as of the time of formation of  
21 the limited liability company or as of the time or date  
22 provided in the operating agreement.

23 ~~(c) In a limited liability company with only one member,~~  
24 ~~the operating agreement includes any of the following:~~

25 ~~(1) Any writing, without regard to whether the writing~~  
26 ~~otherwise constitutes an agreement, as to the company's~~

1 ~~affairs signed by the sole member.~~

2 ~~(2) Any written agreement between the member and the~~  
3 ~~company as to the company's affairs.~~

4 ~~(3) Any agreement, which need not be in writing,~~  
5 ~~between the member and the company as to a company's~~  
6 ~~affairs, provided that the company is managed by a manager~~  
7 ~~who is a person other than the member.~~

8 (Source: P.A. 96-126, eff. 1-1-10.)

9 (805 ILCS 180/15-7)

10 Sec. 15-7. Member and manager's right to ~~payments and~~  
11 reimbursement and indemnification.

12 (a) A limited liability company shall reimburse a member or  
13 manager for payments made and indemnify a member or manager for  
14 debts, obligations, or other liabilities incurred by the member  
15 or manager in the ~~ordinary~~ course of the member's or manager's  
16 activities on behalf of the company, if, in making the payment  
17 or incurring the debt, obligation, or other liability, the  
18 member or manager complied with the duties stated in Sections  
19 15-3 and 25-35 ~~business of the company or for the preservation~~  
20 ~~of its business or property.~~

21 (b) A limited liability company shall reimburse a member  
22 for an advance to the company beyond the amount of contribution  
23 the member agreed to make.

24 (c) A payment or advance made by a member that gives rise  
25 to an obligation of a limited liability company under

1 subsection (a) or (b) of this Section constitutes a loan to the  
2 company upon which interest accrues from the date of the  
3 payment or advance.

4 (d) A member is not entitled to remuneration for services  
5 performed for a limited liability company, except for  
6 reasonable compensation for services rendered in winding up the  
7 business of the company.

8 (e) A limited liability company may purchase and maintain  
9 insurance on behalf of a member or manager of the company  
10 against liability asserted against or incurred by the member or  
11 manager in that capacity or arising from that status even if,  
12 under subsection (e) of Section 15-5, the operating agreement  
13 could not eliminate or limit the person's liability to the  
14 company for the conduct giving rise to the liability.

15 (Source: P.A. 90-424, eff. 1-1-98.)

16 (805 ILCS 180/20-1)

17 Sec. 20-1. Form of contribution. The contribution of a  
18 member may be in cash, property, services rendered, or other  
19 benefit, or a promissory note or other obligation to contribute  
20 cash or property or to perform services.

21 (Source: P.A. 87-1062.)

22 (805 ILCS 180/20-5)

23 Sec. 20-5. Member's liability for contributions.

24 (a) (Blank).



1 (b) (Blank).

2 (c) A member's obligation to contribute money, property, or  
3 other benefit to, or to perform services for, a limited  
4 liability company is not excused by the member's death,  
5 disability, dissolution, or any other reason ~~inability to~~  
6 ~~perform personally~~. If a member does not make the required  
7 contribution of property or services, the member is obligated  
8 at the option of the company to contribute money equal to the  
9 value of that portion of the required ~~stated~~ contribution which  
10 has not been made. The foregoing option does not limit the  
11 availability of any remedy provided for in the operating  
12 agreement or under law, including specific performance.

13 (d) A creditor of a limited liability company who extends  
14 credit or otherwise acts in reliance on an obligation described  
15 in subsection (c), and without notice of any compromise under  
16 subdivision (4) of subsection (d) ~~(e)~~ of Section 15-1, may  
17 enforce the original obligation.

18 (e) Subject to Sections 1-43 and 15-5, the operating  
19 agreement may provide that the interest of any member that  
20 fails to make any contribution that the member is required to  
21 make will be subject to specified remedies for, or specified  
22 consequences of, the failure. The specified remedies or  
23 consequences may include, without limitation:

24 (1) Loss of voting, approval, or other rights.

25 (2) Loss of the member's ability to participate in the  
26 management or operations of the limited liability company.

1           (3) Liquidated damages.

2           (4) Diluting, reducing, or eliminating the defaulting  
3 member's proportionate interest in the company.

4           (5) Subordinating the defaulting member's right to  
5 receive distributions to that of the nondefaulting  
6 members.

7           (6) Permitting the forced sale of the defaulting  
8 member's interest in the company.

9           (7) Permitting one or more nondefaulting members to  
10 lend the amount necessary to meet the defaulting member's  
11 commitment.

12           (8) Adjusting the interest rates or other rates of  
13 return, preferred, priority or otherwise, with respect to  
14 contributions by or capital accounts of the nondefaulting  
15 members.

16           (9) Fixing the value of the defaulting member's  
17 interest by appraisal or formula and the redemption or sale  
18 of the defaulting member's interest at that value.

19 (Source: P.A. 90-424, eff. 1-1-98.)

20 (805 ILCS 180/25-35)

21 Sec. 25-35. Liability for unlawful distributions.

22 (a) Except as otherwise provided in subsections (b) and  
23 (c), if a ~~A~~ member of a member-managed company or a member or  
24 manager of a manager-managed company consents ~~who votes for or~~  
25 ~~assents~~ to a distribution made in violation of Section 25-30,

1 the articles of organization, or the operating agreement and in  
2 consenting to the distribution fails to comply with Section  
3 15-3, the member or manager is personally liable to the company  
4 for the amount of the distribution that exceeds the amount that  
5 could have been distributed without violating Section 25-30,  
6 the articles of organization, or the operating agreement ~~if it~~  
7 ~~is established that the member or manager did not perform the~~  
8 ~~member or manager's duties in compliance with Section 15-3.~~

9 (b) To the extent the operating agreement of a limited  
10 liability company expressly relieves a member of the authority  
11 and responsibility to consent to distributions and imposes that  
12 authority and responsibility on one or more other members, the  
13 liability stated in subsection (a) applies to the other members  
14 and not the member that the operating agreement relieves of  
15 authority and responsibility.

16 (c) If the members of a member-managed company or the  
17 members or managers of a manager-managed company consent to a  
18 distribution that violates the articles of organization or the  
19 operating agreement, but does not violate Section 25-30, by a  
20 vote that would have been sufficient to amend the articles of  
21 organization or operating agreement, as the case may be, the  
22 liability stated in subsection (a) does not apply.

23 (d) ~~(b)~~ A person that receives a distribution and that  
24 ~~member of a manager-managed company who~~ knew the a distribution  
25 was made in violation of Section 25-30, the articles of  
26 organization, or the operating agreement is personally liable

1 to the company, but only to the extent that the distribution  
2 received by the person ~~member~~ exceeded the amount that could  
3 have been properly paid under Section 25-30.

4 (e) ~~(e)~~ A person ~~member or manager~~ against whom an action  
5 is brought under this Section may implead in the action:

6 (1) all ~~other~~ members or managers who consented ~~voted~~  
7 ~~for or assented~~ to the distribution in violation of  
8 subsection (a) of this Section and may compel contribution  
9 from them; and

10 (2) all persons ~~members~~ who received a distribution in  
11 violation of subsection (d) ~~(b)~~ of this Section and may  
12 compel contribution from any person receiving such a  
13 distribution ~~the member~~ in the amount received in violation  
14 of subsection (d) ~~(b)~~ of this Section.

15 (f) ~~(d)~~ A proceeding under this Section is barred unless it  
16 is commenced within 2 years after the distribution.

17 (Source: P.A. 90-424, eff. 1-1-98.)

18 (805 ILCS 180/Art. 30 heading)

19 Article 30. Transfer ~~Assignment~~ of Distributional ~~Membership~~  
20 Interests

21 (805 ILCS 180/30-5)

22 Sec. 30-5. Transfer of a distributional interest.

23 (a) A transfer of a distributional interest in whole or in  
24 part:

1           (1) does not by itself cause dissolution and winding up  
2           of the limited liability company's activities; and

3           (2) is subject to Section 30-10.

4           (b) A transfer of a distributional interest does not  
5 entitle the transferee to become or to exercise any rights of a  
6 member. A transfer entitles the transferee to receive, to the  
7 extent transferred, only the distributions to which the  
8 transferor would be entitled.

9           (Source: P.A. 90-424, eff. 1-1-98.)

10           (805 ILCS 180/30-10)

11           Sec. 30-10. Rights of a transferee.

12           (a) A transferee of a distributional interest may become a  
13 member of a limited liability company if and to the extent that  
14 the transferor gives the transferee the right in accordance  
15 with authority described in the operating agreement or all  
16 other members consent.

17           (b) A transferee who has become a member, to the extent  
18 transferred, has the rights and powers, and is subject to the  
19 restrictions and liabilities, of a member under the operating  
20 agreement of a limited liability company and this Act. A  
21 transferee who becomes a member also is liable for the  
22 transferor member's obligations to make contributions under  
23 Section 20-5 and for obligations under Section 25-35 to return  
24 unlawful distributions, but the transferee is not obligated for  
25 the transferor member's liabilities unknown to the transferee

1 at the time the transferee becomes a member.

2 (c) Whether or not a transferee of a distributional  
3 interest becomes a member under subsection (a) of this Section,  
4 the transferor is not released from liability to the limited  
5 liability company under the operating agreement or this Act.

6 (d) A transferee who does not become a member is not  
7 entitled to participate in the management or conduct of the  
8 limited liability company's business, require access to  
9 information concerning the company's transactions, or, except  
10 as provided in subsections (c) and (d) of Section 1-40, inspect  
11 or copy any of the company's records.

12 (e) A transferee who does not become a member is entitled  
13 to:

14 (1) receive, in accordance with the transfer,  
15 distributions to which the transferor would otherwise be  
16 entitled;

17 (2) receive, upon dissolution and winding up of the  
18 limited liability company's business:

19 (A) in accordance with the transfer, the net amount  
20 otherwise distributable to the transferor; and

21 (B) a statement of account only from the date of  
22 the latest statement of account agreed to by all the  
23 members. ~~and~~

24 ~~(3) seek under subdivision (5) of Section 35-1 a~~  
25 ~~judicial determination that it is equitable to dissolve and~~  
26 ~~wind up the company's business.~~

1 (f) A limited liability company need not give effect to a  
2 transfer until it has notice of the transfer.

3 (Source: P.A. 97-813, eff. 7-13-12.)

4 (805 ILCS 180/30-20)

5 Sec. 30-20. Rights of creditor.

6 (a) On application by a judgment creditor of a member or  
7 transferee, a court may enter a charging order against the  
8 distributional interest of the judgment debtor for the  
9 unsatisfied amount of the judgment. A charging order  
10 constitutes a lien on a judgment debtor's distributional  
11 interest and requires the limited liability company to pay over  
12 to the person to which the charging order was issued any  
13 distribution that would otherwise be paid to the judgment  
14 debtor. A charging order grants no other rights with respect to  
15 the assets or affairs of the company ~~On application by a~~  
16 ~~judgment creditor of a member of a limited liability company or~~  
17 ~~of a member's transferee, a court having jurisdiction may~~  
18 ~~charge the distributional interest of the judgment debtor to~~  
19 ~~satisfy the judgment. The court may appoint a receiver of the~~  
20 ~~share of the distributions due or to become due to the judgment~~  
21 ~~debtor and make all other orders, directions, accounts, and~~  
22 ~~inquiries the judgment debtor might have made or which the~~  
23 ~~circumstances may require to give effect to the charging order.~~

24 (b) To the extent necessary to effectuate the collection of  
25 distributions pursuant to a charging order in effect under

1 subsection (a), the court may:

2 (1) appoint a receiver of the distributions subject to  
3 the charging order, with the power to make all inquiries  
4 the judgment debtor might have made; and

5 (2) make all other orders necessary to give effect to  
6 the charging order. ~~A charging order constitutes a lien on~~  
7 ~~the judgment debtor's distributional interest. The court~~  
8 ~~may order a foreclosure of a lien on a distributional~~  
9 ~~interest subject to the charging order at any time. A~~  
10 ~~purchaser at the foreclosure sale has the rights of a~~  
11 ~~transferee.~~

12 (c) At any time the court may foreclose the lien and order  
13 the sale of the distributional interest. The purchaser at the  
14 foreclosure sale obtains only the distributional interest,  
15 does not thereby become a member, and is subject to Section  
16 30-10. ~~At any time before foreclosure, a distributional~~  
17 ~~interest in a limited liability company that is charged may be~~  
18 ~~redeemed:~~

19 ~~(1) by the judgment debtor;~~

20 ~~(2) with property other than the company's property, by~~  
21 ~~one or more of the other members; or~~

22 ~~(3) with the company's property, but only if permitted~~  
23 ~~by the operating agreement.~~

24 (d) At any time before foreclosure under subsection (c),  
25 the member or transferee whose distributional interest is  
26 subject to a charging order under subsection (a) may extinguish



1 the charging order by satisfying the judgment and filing a  
2 certified copy of the satisfaction with the court that issued  
3 the charging order. ~~This Act does not affect a member's right~~  
4 ~~under exemption laws with respect to the member's~~  
5 ~~distributional interest in a limited liability company.~~

6 (e) At any time before foreclosure under subsection (c), a  
7 limited liability company or one or more members whose  
8 distributional interests are not subject to the charging order  
9 may satisfy the judgment and thereby succeed to the rights of  
10 the judgment creditor, including the charging order. ~~This~~  
11 ~~Section provides the exclusive remedy by which a judgment~~  
12 ~~creditor of a member or a transferee may satisfy a judgment out~~  
13 ~~of the judgment debtor's distributional interest in a limited~~  
14 ~~liability company.~~

15 (f) This Act does not deprive any member or transferee of  
16 the benefit of any exemption laws applicable to the member's or  
17 transferee's distributional interest.

18 (g) This Section provides the exclusive remedy by which a  
19 person seeking to enforce a judgment against a member or  
20 transferee may, in the capacity of judgment creditor, satisfy  
21 the judgment from the judgment debtor's distributional  
22 interest. If and to the extent that other law permits a  
23 judgment creditor to obtain a lien against the distributional  
24 interest or other rights of a member or transferee of a member,  
25 the lien shall be treated as a charging order subject to all  
26 the provisions of this Section.

1 (Source: P.A. 90-424, eff. 1-1-98.)

2 (805 ILCS 180/30-25 new)

3 Sec. 30-25. Power of personal representative of deceased  
4 member. If a member dies, the deceased member's personal  
5 representative or other legal representative may exercise the  
6 rights of a transferee provided in subsection (e) of Section  
7 30-10 and, for the purposes of settling the estate, the rights  
8 of a current member under Section 10-15.

9 (805 ILCS 180/35-1)

10 Sec. 35-1. Events causing dissolution and winding up of  
11 company's business.

12 (a) A limited liability company is dissolved, and, ~~unless~~  
13 ~~continued pursuant to subsection (b) of Section 35-3,~~ its  
14 business must be wound up, upon the occurrence of any of the  
15 following events:

16 (1) An event or circumstance that causes the  
17 dissolution of a company by the express terms of specified  
18 ~~in~~ the operating agreement.

19 (2) The consent of all members ~~Consent of the number or~~  
20 ~~percentage of members specified in the operating~~  
21 ~~agreement.~~

22 (3) The passage of 180 consecutive days during which  
23 the company has no members ~~An event that makes it unlawful~~  
24 ~~for all or substantially all of the business of the company~~

1 ~~to be continued, but any cure of illegality within 90 days~~  
2 ~~after notice to the company of the event is effective~~  
3 ~~retroactively to the date of the event for purposes of this~~  
4 ~~Section.~~

5 (4) On application by a member or a dissociated member,  
6 upon entry of a judicial decree that:

7 (A) the economic purpose of the company has been or  
8 is likely to be unreasonably frustrated;

9 (B) the another member has engaged in conduct of  
10 all or substantially all of relating to the company's  
11 activities is unlawful ~~business that makes it not~~  
12 ~~reasonably practicable to carry on the company's~~  
13 ~~business with that member;~~

14 (C) it is not otherwise reasonably practicable to  
15 carry on the company's business in conformity with the  
16 articles of organization and the operating agreement.~~7~~

17 (5) On application by a member or transferee of a (D)  
18 ~~the company failed to purchase the petitioner's~~  
19 ~~distributional interest, upon entry of a judicial decree~~  
20 ~~that as required by Section 35-60; or (E) the managers or~~  
21 those members in control of the company:

22 (A) have acted, are acting, or will act in a manner  
23 that is illegal, oppressive, or fraudulent; or with  
24 ~~respect to the petitioner.~~

25 (B) have acted or are acting in a manner that is  
26 oppressive and was, is, or will be directly harmful to

1           the applicant.

2           ~~(5) On application by a transferee of a member's~~  
3           ~~interest, a judicial determination that it is equitable to~~  
4           ~~wind up the company's business.~~

5           (6) Administrative dissolution under Section 35-25.

6           (b) In a proceeding under subdivision (4) or (5) of  
7           subsection (a), the court may order a remedy other than  
8           dissolution including, but not limited to, a buyout of the  
9           applicant's membership interest.

10          (Source: P.A. 90-424, eff. 1-1-98.)

11          (805 ILCS 180/35-3)

12          Sec. 35-3. Limited liability company continues after  
13          dissolution.

14          (a) Subject to subsections (b), ~~and~~ (c), and (d) of this  
15          Section, a limited liability company continues after  
16          dissolution only for the purpose of winding up its business.

17          (b) At any time after the dissolution of a limited  
18          liability company and before the winding up of its business is  
19          completed, the members, including a dissociated member whose  
20          dissociation caused the dissolution, may unanimously waive the  
21          right to have the company's business wound up and the company  
22          terminated. In that case ~~Any such waiver shall take effect~~  
23          ~~upon:~~

24                 ~~(1) (blank);~~

25                 ~~(2) (blank);~~

1           ~~(3) the filing with the Secretary of State by the~~  
2           ~~limited liability company of all reports then due and~~  
3           ~~theretofore becoming due;~~

4           ~~(4) the payment to the Secretary of State by the~~  
5           ~~limited liability company of all fees and penalties then~~  
6           ~~due and theretofore becoming due; and~~

7           ~~(5) the filing of articles of revocation of dissolution~~  
8           ~~setting forth:~~

9                   ~~(A) the name of the limited liability company at~~  
10                   ~~the time of filing the articles of dissolution;~~

11                   ~~(B) if the name is not available for use as~~  
12                   ~~determined by the Secretary of State at the time of~~  
13                   ~~filing the articles of revocation of dissolution, the~~  
14                   ~~name of the limited liability company as changed,~~  
15                   ~~provided that any change of name is properly effected~~  
16                   ~~under Section 1-10 and Section 5-25 of this Act;~~

17                   ~~(C) the effective date of the dissolution that was~~  
18                   ~~revoked;~~

19                   ~~(D) the date that the revocation of dissolution was~~  
20                   ~~authorized;~~

21                   ~~(E) a statement that the members have unanimously~~  
22                   ~~waived the right to have the company's business wound~~  
23                   ~~up and the company terminated; and~~

24                   ~~(F) the address, including street and number or~~  
25                   ~~rural route number, of the registered office of the~~  
26                   ~~limited liability company upon revocation of~~

1 ~~dissolution and the name of its registered agent at~~  
2 ~~that address upon the revocation of dissolution of the~~  
3 ~~limited liability company, provided that any change~~  
4 ~~from either the registered office or the registered~~  
5 ~~agent at the time of dissolution is properly reported~~  
6 ~~under Section 1-35 of this Act.~~

7 ~~Upon compliance with the provisions of this subsection, the~~  
8 ~~Secretary of State shall file the articles of revocation of~~  
9 ~~dissolution. Upon filing of the articles of revocation of~~  
10 ~~dissolution:~~

11 (1) ~~(i)~~ the limited liability company resumes carrying  
12 on its business as if dissolution had never occurred, and  
13 any liability incurred by the ~~limited liability~~ company or  
14 a member after the dissolution and before the waiver is  
15 determined as if the dissolution had never occurred; and

16 (2) ~~(ii)~~ the rights of a third party accruing under  
17 subsection (a) of Section 35-7 or arising out of conduct in  
18 reliance on the dissolution before the third party knew or  
19 received a notification of the waiver are not adversely  
20 affected.

21 (c) If there are no members, the legal representative of  
22 the last remaining member may, within one year after the  
23 occurrence of the event that caused the dissociation of the  
24 last remaining member, agree in writing to continue the limited  
25 liability company. In that event, the legal representative or  
26 its nominee or designee will be admitted to the company as a

1 member and the company will not be dissolved or its business  
2 wound up until the occurrence of a future event of dissolution,  
3 if any.

4 (d) This Section does not apply in the case of a  
5 dissolution described in subdivision (4), (5), or (6) of  
6 Section 35-1.

7 ~~(c) Unless otherwise provided in the articles of~~  
8 ~~organization or the operating agreement, the limited liability~~  
9 ~~company is not dissolved and is not required to be wound up if:~~

10 ~~(1) within 6 months or such period as is provided for~~  
11 ~~in the articles of organization or the operating agreement~~  
12 ~~after the occurrence of the event that caused the~~  
13 ~~dissociation of the last remaining member, the personal~~  
14 ~~representative of the last remaining member agrees in~~  
15 ~~writing to continue the limited liability company until the~~  
16 ~~admission of the personal representative of that member or~~  
17 ~~its nominee or designee to the limited liability company as~~  
18 ~~a member, effective as of the occurrence of the event that~~  
19 ~~caused the dissociation of the last remaining member,~~  
20 ~~provided that the articles of organization or the operating~~  
21 ~~agreement may provide that the personal representative of~~  
22 ~~the last remaining member shall be obligated to agree in~~  
23 ~~writing to continue the limited liability company and to~~  
24 ~~the admission of the personal representative of that member~~  
25 ~~or its nominee or designee to the limited liability company~~  
26 ~~as a member, effective as of the occurrence of the event~~

1 ~~that caused the dissociation of the last remaining member;~~  
2 ~~or~~

3 ~~(2) a member is admitted to the limited liability~~  
4 ~~company in the manner provided for in the articles of~~  
5 ~~organization or the operating agreement, effective as of~~  
6 ~~the occurrence of the event that caused the dissociation of~~  
7 ~~the last remaining member, within 6 months or such other~~  
8 ~~period as is provided for in the operating agreement after~~  
9 ~~the occurrence of the event that caused the dissociation of~~  
10 ~~the last remaining member, pursuant to a provision of the~~  
11 ~~articles of organization or the operating agreement that~~  
12 ~~specifically provides for the admission of a member to the~~  
13 ~~limited liability company after there is no longer a~~  
14 ~~remaining member of the limited liability company.~~

15 (Source: P.A. 98-720, eff. 7-16-14.)

16 (805 ILCS 180/35-4)

17 Sec. 35-4. Wind ~~Right to wind up~~ of limited liability  
18 company's business.

19 (a) After dissolution, a member who has not wrongfully  
20 dissociated may participate in winding up a limited liability  
21 company's business, ~~but on application of any member, member's~~  
22 ~~legal representative, or transferee, the Circuit Court, for~~  
23 ~~good cause shown, may order judicial supervision of the winding~~  
24 ~~up.~~

25 (b) If a dissolved limited liability company has no



1 members, the A legal representative of the last person to have  
2 been a surviving member may wind up the a limited liability  
3 company's business of the company. If the person does so, the  
4 person has the powers of a sole manager under subsection (b) of  
5 Section 15-1 and is deemed to be a manager for the purposes of  
6 subsection (a) of Section 10-10.

7 (c) A person winding up a limited liability company's  
8 business (1) may preserve the company's business or property as  
9 a going concern for a reasonable time, prosecute and defend  
10 actions and proceedings, whether civil, criminal, or  
11 administrative, settle and close the company's business,  
12 dispose of and transfer the company's property, settle disputes  
13 by mediation or arbitration, and perform other acts necessary  
14 or appropriate to winding up and (2) shall discharge the  
15 company's debts, obligations, or other liabilities, settle and  
16 close the company's business and marshal and distribute the  
17 assets of the company pursuant to Section 35-10, settle  
18 disputes by mediation or arbitration, and perform other  
19 necessary acts.

20 (d) If the legal representative under subsection (b)  
21 declines or fails to wind up the company's business, a person  
22 may be appointed to do so by the consent of transferees owning  
23 a majority of the rights to receive distributions as  
24 transferees at the time the consent is to be effective. A  
25 person appointed under this subsection:

26 (1) has the powers of a sole manager under subsection

1 (b) of Section 15-1 and is deemed to be a manager for the  
2 purposes of subsection (a) of Section 10-10; and

3 (2) shall promptly deliver to the Secretary of State  
4 for filing an amendment to the company's articles of  
5 organization to:

6 (A) state that the company has no members;

7 (B) state that the person has been appointed  
8 pursuant to this subsection to wind up the company; and

9 (C) provide the mailing addresses of the person.

10 (e) The circuit court may order judicial supervision of the  
11 winding up of a dissolved limited liability company, including  
12 the appointment of a person to wind up the company's business:

13 (1) on application of a member, if the applicant  
14 establishes good cause;

15 (2) on the application of a transferee, if:

16 (A) the company does not have any members;

17 (B) the legal representative of the last person to  
18 have been a member declines or fails to wind up the  
19 company's business; and

20 (C) within a reasonable time following the  
21 dissolution a person has not been appointed pursuant to  
22 subsection (d); or

23 (3) in connection with a proceeding under subdivision

24 (4) of subsection (a) of Section 35-1.

25 (Source: P.A. 90-424, eff. 1-1-98.)

1 (805 ILCS 180/35-7)

2 Sec. 35-7. Member or manager's power and liability as agent  
3 after dissolution.

4 (a) A limited liability company is bound by a member or  
5 manager's act after dissolution that:

6 (1) is appropriate for winding up the company's  
7 business; or

8 (2) would have bound the company ~~under Section 13-5~~  
9 before dissolution, if the other party to the transaction  
10 did not have notice of the dissolution.

11 (b) A member or manager who, with knowledge of the  
12 dissolution, subjects a limited liability company to liability  
13 by an act that is not appropriate for winding up the company's  
14 business is liable to the company for any damage caused to the  
15 company arising from the liability.

16 (Source: P.A. 90-424, eff. 1-1-98.)

17 (805 ILCS 180/35-15)

18 Sec. 35-15. Statement ~~Articles~~ of termination ~~dissolution~~.  
19 When a ~~all debts, liabilities, and obligations of the~~ limited  
20 liability company has been wound up, a statement of termination  
21 ~~have been paid and discharged or adequate provision has been~~  
22 ~~made therefor and all of the remaining property and assets of~~  
23 ~~the limited liability company have been distributed to the~~  
24 ~~members, articles of dissolution~~ shall be executed in duplicate  
25 in the manner prescribed in Section 5-45 and shall set forth

1 all of the following:

2 (1) The name of the limited liability company;~~:-~~

3 (2) A post office address to which may be mailed a copy  
4 of any process against the company that may be served upon  
5 the Secretary of State; and

6 (3) A statement that the limited liability company has  
7 been terminated ~~(2) That all debts, obligations, and~~  
8 ~~liabilities of the limited liability company have been paid~~  
9 ~~and discharged or that adequate provision has been made~~  
10 ~~therefor.~~

11 ~~(3) That all the remaining property and assets of the~~  
12 ~~limited liability company have been distributed among its~~  
13 ~~members in accordance with their respective rights and~~  
14 ~~interests.~~

15 ~~(4) That there are no suits pending against the company~~  
16 ~~in any court or that adequate provision has been made for~~  
17 ~~the satisfaction of any judgment, order, or decree that may~~  
18 ~~be entered against it in any pending suit.~~

19 (Source: P.A. 87-1062.)

20 (805 ILCS 180/35-20)

21 Sec. 35-20. Filing of statement ~~articles~~ of termination  
22 ~~dissolution~~.

23 (a) Duplicate originals of the statement ~~articles~~ of  
24 termination ~~dissolution~~ shall be delivered to the Secretary of  
25 State. If the Secretary of State finds that the statement

1 ~~articles of termination conforms dissolution conform~~ to law, he  
2 or she shall, when all required fees have been paid:

3 (1) endorse on each duplicate original the word "Filed"  
4 and the date of the filing thereof; and

5 (2) file one duplicate original in his or her office.

6 (b) A duplicate original of the statement ~~articles~~ of  
7 termination ~~dissolution~~ shall be returned to the  
8 representative of the dissolved limited liability company.  
9 Upon the filing of a statement ~~the articles~~ of termination  
10 ~~dissolution~~, the existence of the company shall terminate, and  
11 its articles of organization shall be deemed cancelled, except  
12 for the purpose of suits, other proceedings, and appropriate  
13 action as provided in this Article. The manager or managers or  
14 member or members at the time of termination, or those that  
15 remain, shall thereafter be trustee for the members and  
16 creditors of the terminated company and, in that capacity,  
17 shall have authority to convey or distribute any company  
18 property discovered after termination and take any other action  
19 that may be necessary on behalf of and in the name of the  
20 terminated company.

21 (Source: P.A. 90-424, eff. 1-1-98.)

22 (805 ILCS 180/35-37 new)

23 Sec. 35-37. Administrative dissolution; limited liability  
24 company name. The Secretary of State shall not allow another  
25 limited liability company or corporation to use the name of a

1 domestic limited liability company that has been  
2 administratively dissolved until 3 years have elapsed  
3 following the date of issuance of the notice of dissolution. If  
4 the domestic limited liability company that has been  
5 administratively dissolved is reinstated within 3 years after  
6 the date of issuance of the notice of dissolution, the domestic  
7 limited liability company shall continue under its previous  
8 name unless the limited liability company changes its name upon  
9 reinstatement.

10 (805 ILCS 180/35-45)

11 Sec. 35-45. Events causing member's dissociation. A member  
12 is dissociated from a limited liability company upon the  
13 occurrence of any of the following events:

14 (1) The company's having notice of the member's express  
15 will to withdraw upon the date of notice or on a later date  
16 specified by the member.

17 (2) An event agreed to in the operating agreement as  
18 causing the member's dissociation.

19 (3) Upon transfer of all of a member's distributional  
20 interest, other than a transfer for security purposes or a  
21 court order charging the member's distributional interest that  
22 has not been foreclosed.

23 (4) The member's expulsion pursuant to the operating  
24 agreement.

25 (5) The member's expulsion by unanimous vote of the other

1 members if:

2 (A) it is unlawful to carry on the company's business  
3 with the member;

4 (B) there has been a transfer of substantially all of  
5 the member's distributional interest, other than a  
6 transfer for security purposes or a court order charging  
7 the member's distributional interest that has not been  
8 foreclosed;

9 (C) within 90 days after the company notifies a  
10 corporate member that it will be expelled because it has  
11 filed a certificate of dissolution or the equivalent, its  
12 charter has been revoked, or its right to conduct business  
13 has been suspended by the jurisdiction of its  
14 incorporation, the member fails to obtain a revocation of  
15 the certificate of dissolution or a reinstatement of its  
16 charter or its right to conduct business; or

17 (D) a partnership or a limited liability company that  
18 is a member has been dissolved and its business is being  
19 wound up.

20 (6) On application by the company or another member, the  
21 member's expulsion by judicial determination because the  
22 member:

23 (A) engaged in wrongful conduct that adversely and  
24 materially affected the company's business;

25 (B) willfully or persistently committed a material  
26 breach of the operating agreement or of a duty owed to the

1 company or the other members under Section 15-3; or

2 (C) engaged in conduct relating to the company's  
3 business that makes it not reasonably practicable to carry on  
4 the business with the member.

5 (7) The member's:

6 (A) becoming a debtor in bankruptcy;

7 (B) executing an assignment for the benefit of  
8 creditors;

9 (C) seeking, consenting to, or acquiescing in the  
10 appointment of a trustee, receiver, or liquidator of the  
11 member or of all or substantially all of the member's  
12 property; or

13 (D) failing, within 90 days after the appointment, to  
14 have vacated or stayed the appointment of a trustee,  
15 receiver, or liquidator of the member or of all or  
16 substantially all of the member's property obtained  
17 without the member's consent or acquiescence, or failing  
18 within 90 days after the expiration of a stay to have the  
19 appointment vacated.

20 (8) In the case of a member who is an individual:

21 (A) the member's death;

22 (B) the appointment of a guardian or general  
23 conservator for the member; or

24 (C) a judicial determination that the member has  
25 otherwise become incapable of performing the member's  
26 duties under the operating agreement.



1           (9) In the case of a member that is a trust or is acting as  
2 a member by virtue of being a trustee of a trust, distribution  
3 of the trust's entire rights to receive distributions from the  
4 company, but not merely by reason of the substitution of a  
5 successor trustee.

6           (10) In the case of a member that is an estate or is acting  
7 as a member by virtue of being a personal representative of an  
8 estate, distribution of the estate's entire rights to receive  
9 distributions from the company, but not merely the substitution  
10 of a successor personal representative.

11           (11) Termination of the existence of a member if the member  
12 is not an individual, estate, or trust other than a business  
13 trust.

14           (12) In the case of a company that participates in a merger  
15 under Article 37, if:

16                 (A) the company is not the surviving entity; or

17                 (B) otherwise as a result of the merger, the person  
18 ceases to be a member.

19           (13) The company participates in a conversion under Article  
20 37.

21           (14) The company participates in a domestication under  
22 Article 37, if, as a result, the person ceases to be a member.

23 (Source: P.A. 90-424, eff. 1-1-98.)

24 (805 ILCS 180/35-55)

25 Sec. 35-55. Effect of member's dissociation.

1           (a) ~~Upon a member's dissociation the company must cause the~~  
2 ~~dissociated member's distributional interest to be purchased~~  
3 ~~under Section 35-60.~~ (b) Upon a member's dissociation from a  
4 limited liability company:

5           (1) the member's right to participate in the management  
6 and conduct of the company's business terminates, except as  
7 otherwise provided in Section 35-4, and the member ceases  
8 to be a member and is treated the same as a transferee of a  
9 member;

10           (2) the member's fiduciary duties terminate, except as  
11 provided in subdivision (3) of this subsection (a) ~~(b)~~; ~~and~~

12           (3) the member's duty of loyalty under subdivisions (1)  
13 and (2) of subsection (b) of Section 15-3 and duty of care  
14 under subsection (c) of Section 15-3 continue only with  
15 regard to matters arising and events occurring before the  
16 member's dissociation, unless the member participates in  
17 winding up the company's business pursuant to Section 35-4;  
18 and;

19           (4) subject to Section 30-25 and Article 37, any  
20 distributional interest owned by the person immediately  
21 before dissociation in the person's capacity as a member is  
22 owned by the person solely as a transferee.

23           (b) A person's dissociation as a member of a limited  
24 liability company does not of itself discharge the person from  
25 any debt, obligation, or other liability to the company or the  
26 other members which the person incurred while a member.

1 (Source: P.A. 90-424, eff. 1-1-98.)

2 (805 ILCS 180/Art. 37 heading)

3 Article 37. Conversions, domestications, mergers, and series

4 (Source: P.A. 97-839, eff. 7-20-12.)

5 (805 ILCS 180/37-5)

6 Sec. 37-5. Definitions. In this Article:

7 "Constituent limited liability company" means a  
8 constituent organization that is a limited liability company.

9 "Constituent organization" means an organization that is  
10 party to a merger.

11 "Converted organization" means the organization into which  
12 a converting organization converts pursuant to Sections 37-10  
13 through 37-17.

14 "Converting limited liability company" means a converting  
15 organization that is a limited liability company.

16 "Converting organization" means an organization that  
17 converts into another organization pursuant to Sections 37-10  
18 through 37-17.

19 "Domesticated company" means the company that exists after  
20 a domesticating foreign limited liability company or limited  
21 liability company effects a domestication pursuant to Sections  
22 37-31 through 37-34.

23 "Domesticating company" means the company that effects a  
24 domestication pursuant to Sections 37-31 through 37-34.

1       "Governing statute" means the statute that governs an  
2       organization's internal affairs.

3       "Organization" means a general partnership, including a  
4       limited liability partnership, limited partnership, including  
5       a limited liability limited partnership, limited liability  
6       company, business trust, corporation, or any other person  
7       having a governing statute. The term includes a domestic or  
8       foreign organization regardless of whether organized for  
9       profit.

10       "Organizational document" means:

11               (1) for a domestic or foreign general partnership, its  
12               partnership agreement;

13               (2) for a limited partnership or foreign limited  
14               partnership, its certificate of limited partnership and  
15               partnership agreement;

16               (3) for a domestic or foreign limited liability  
17               company, its certificate or articles of organization and  
18               operating agreement, or comparable records as provided in  
19               its governing statute;

20               (4) for a business trust, its agreement of trust and  
21               declaration of trust;

22               (5) for a domestic or foreign corporation for profit,  
23               its articles of incorporation, bylaws, and any agreements  
24               among its shareholders which are authorized by its  
25               governing statute, or comparable records as provided in its  
26               governing statute; and

1           (6) for any other organization, the basic records that  
2           create the organization and determine its internal  
3           governance and the relations among the persons that own it,  
4           have an interest in it, or are members of it.

5           "Personal liability" means liability for a debt,  
6           obligation, or other liability of an organization which is  
7           imposed on a person that co-owns, has an interest in, or is a  
8           member of the organization:

9           (1) by the governing statute solely by reason of the  
10           person co-owning, having an interest in, or being a member  
11           of the organization; or

12           (2) by the organization's organizational documents  
13           under a provision of the governing statute authorizing  
14           those documents to make one or more specified persons  
15           liable for all or specified debts, obligations, or other  
16           liabilities of the organization solely by reason of the  
17           person or persons co-owning, having an interest in, or  
18           being a member of the organization.

19           "Surviving organization" means an organization into which  
20           one or more other organizations are merged, whether the  
21           organization preexisted the merger or was created by the  
22           merger.

23           ~~"Corporation" means (i) a corporation under the Business~~  
24           ~~Corporation Act of 1983, a predecessor law, or comparable law~~  
25           ~~of another jurisdiction or (ii) a bank or savings bank.~~

26           ~~"General partner" means a partner in a partnership and a~~

1 ~~general partner in a limited partnership.~~

2 ~~"Limited partner" means a limited partner in a limited~~  
3 ~~partnership.~~

4 ~~"Limited partnership" means a limited partnership created~~  
5 ~~under the Uniform Limited Partnership Act (2001), a predecessor~~  
6 ~~law, or comparable law of another jurisdiction.~~

7 ~~"Partner" includes a general partner and a limited partner.~~

8 ~~"Partnership" means a general partnership under the~~  
9 ~~Uniform Partnership Act (1997), a predecessor law, or~~  
10 ~~comparable law of another jurisdiction.~~

11 ~~"Partnership agreement" means an agreement among the~~  
12 ~~partners concerning the partnership or limited partnership.~~

13 ~~"Shareholder" means a shareholder in a corporation.~~

14 (Source: P.A. 96-328, eff. 8-11-09.)

15 (805 ILCS 180/37-10)

16 Sec. 37-10. ~~Conversion of partnership or limited~~  
17 ~~partnership to limited liability company.~~

18 (a) An organization other than a limited liability company  
19 or a foreign limited liability company may convert to a limited  
20 liability company, and a limited liability company may convert  
21 to an organization other than a foreign limited liability  
22 company pursuant to this Section, Sections 37-15 through 37-17,  
23 and a plan of conversion, if:

24 (1) the other organization's governing statute  
25 authorizes the conversion;

1           (2) the conversion is not prohibited by the law of the  
2           jurisdiction that enacted the other organization's  
3           governing statute; and

4           (3) the other organization complies with its governing  
5           statute in effecting the conversion.

6           (b) A plan of conversion must be in a record and must  
7           include:

8           (1) the name and form of the organization before  
9           conversion;

10           (2) the name and form of the organization after  
11           conversion;

12           (3) the terms and conditions of the conversion,  
13           including the manner and basis for converting interests in  
14           the converting organization into any combination of money,  
15           interests in the converted organization, and other  
16           consideration; and

17           (4) the organizational documents of the converted  
18           organization that are, or are proposed to be, in a record.

19           ~~A partnership or limited partnership may be converted to a~~  
20           ~~limited liability company pursuant to this Section if~~  
21           ~~conversion to a limited liability company is permitted~~  
22           ~~under the law governing the partnership or limited~~  
23           ~~partnership.~~

24           ~~(b) The terms and conditions of a conversion of a~~  
25           ~~partnership or limited partnership to a limited liability~~  
26           ~~company must be approved by all of the partners or by a number~~

1 ~~or percentage of the partners required for conversion in the~~  
2 ~~partnership agreement.~~

3 ~~(c) An agreement of conversion must set forth the terms and~~  
4 ~~conditions of the conversion of the interests of partners of a~~  
5 ~~partnership or of a limited partnership, as the case may be,~~  
6 ~~into interests in the converted limited liability company or~~  
7 ~~the cash or other consideration to be paid or delivered as a~~  
8 ~~result of the conversion of the interests of the partners, or a~~  
9 ~~combination thereof.~~

10 ~~(d) After a conversion is approved under subsection (b) of~~  
11 ~~this Section, the partnership or limited partnership shall file~~  
12 ~~articles of organization in the office of the Secretary of~~  
13 ~~State that satisfy the requirements of Section 5-5 and contain~~  
14 ~~all of the following:~~

15 ~~(1) A statement that the partnership or limited~~  
16 ~~partnership was converted to a limited liability company~~  
17 ~~from a partnership or limited partnership, as the case may~~  
18 ~~be.~~

19 ~~(2) Its former name.~~

20 ~~(3) A statement of the number of votes cast by the~~  
21 ~~partners entitled to vote for and against the conversion~~  
22 ~~and, if the vote is less than unanimous, the number or~~  
23 ~~percentage required to approve the conversion under~~  
24 ~~subsection (b) of this Section.~~

25 ~~(4) In the case of a limited partnership, a statement~~  
26 ~~that the certificate of limited partnership shall be~~



1 ~~canceled as of the date the conversion took effect.~~

2 ~~(c) In the case of a limited partnership, the filing of~~  
3 ~~articles of organization under subsection (d) of this Section~~  
4 ~~cancels its certificate of limited partnership as of the date~~  
5 ~~the conversion took effect.~~

6 ~~(f) A conversion takes effect when the articles of~~  
7 ~~organization are filed in the office of the Secretary of State~~  
8 ~~or on a date specified in the articles of organization not~~  
9 ~~later than 30 days subsequent to the filing of the articles of~~  
10 ~~organization.~~

11 ~~(g) A general partner who becomes a member of a limited~~  
12 ~~liability company as a result of a conversion remains liable as~~  
13 ~~a partner for an obligation incurred by the partnership or~~  
14 ~~limited partnership before the conversion takes effect.~~

15 ~~(h) A general partner's liability for all obligations of~~  
16 ~~the limited liability company incurred after the conversion~~  
17 ~~takes effect is that of a member of the company. A limited~~  
18 ~~partner who becomes a member as a result of a conversion~~  
19 ~~remains liable only to the extent the limited partner was~~  
20 ~~liable for an obligation incurred by the limited partnership~~  
21 ~~before the conversion takes effect.~~

22 (Source: P.A. 90-424, eff. 1-1-98.)

23 (805 ILCS 180/37-15)

24 Sec. 37-15. Effect of conversion; entity unchanged.

25 (a) An organization ~~A partnership or limited partnership~~

1 that has been converted pursuant to Sections 37-10 through  
2 37-17 ~~under this Article~~ is for all purposes the same entity  
3 that existed before the conversion.

4 (b) When a conversion takes effect:

5 (1) all property owned by the converting organization  
6 remains vested in the converted organization ~~partnership~~  
7 ~~or limited partnership vests in the limited liability~~  
8 ~~company;~~

9 (2) all debts, ~~liabilities, and other~~ obligations, or  
10 other liabilities of the converting organization  
11 ~~partnership or limited partnership~~ continue as debts,  
12 obligations, or other liabilities of the converted  
13 organization ~~limited liability company;~~

14 (3) an action or proceeding pending by or against the  
15 converting organization ~~partnership or limited partnership~~  
16 may be continued as if the conversion had not occurred;

17 (4) except as prohibited by ~~other~~ law other than  
18 Article 37, all of the rights, privileges, immunities,  
19 powers, and purposes of the converting organization remain  
20 vested in the converted organization ~~partnership or~~  
21 ~~limited partnership vest in the limited liability company;~~  
22 ~~and~~

23 (5) except as otherwise provided in the plan of  
24 conversion, the terms and conditions of the plan of  
25 conversion take effect; and

26 (6) except as otherwise agreed, the conversion does not

1 dissolve a converting limited liability company for the  
2 purposes of Article 35.

3 (c) A converted organization that is a foreign organization  
4 consents to the jurisdiction of the courts of this State to  
5 enforce any debt, obligation, or other liability for which the  
6 converting limited liability company is liable if, before the  
7 conversion, the converting limited liability company was  
8 subject to suit in this State on the debt, obligation, or other  
9 liability. A converted organization that is a foreign  
10 organization and not authorized to transact business in this  
11 State appoints the Secretary of State as its agent for service  
12 of process for purposes of enforcing a debt, obligation, or  
13 other liability under this subsection. Service on the Secretary  
14 of State under this subsection must be made in the same manner  
15 and has the same consequences as in subsections (b) and (c) of  
16 Section 1-50. ~~agreement of conversion under Section 37-10, all~~  
17 ~~of the partners of the converting partnership continue as~~  
18 ~~members of the limited liability company.~~

19 (d) A converted organization that is a foreign organization  
20 may not do business in this State until an application for that  
21 authority is filed with the Secretary of State.

22 (Source: P.A. 90-424, eff. 1-1-98.)

23 (805 ILCS 180/37-16 new)

24 Sec. 37-16. Action on plan of conversion by converting  
25 limited liability company.

1       (a) Subject to Section 37-36, a plan of conversion must be  
2       consented to by all the members of a converting limited  
3       liability company.

4       (b) Subject to Section 37-36 and any contractual rights,  
5       after a conversion is approved, and at any time before a filing  
6       is made under Section 37-17, a converting limited liability  
7       company may amend the plan or abandon the conversion:

8               (1) as provided in the plan; or

9               (2) except as otherwise prohibited in the plan, by the  
10              same consent as was required to approve the plan.

11              (805 ILCS 180/37-17 new)

12              Sec. 37-17. Filings required for conversion; effective  
13              date.

14              (a) After a plan of conversion is approved:

15                      (1) a converting limited liability company shall  
16                      deliver to the Secretary of State for filing articles of  
17                      conversion, which must be executed as provided in Section  
18                      5-45 and must include:

19                              (A) a statement that the limited liability company  
20                              has been converted into another organization;

21                              (B) the name and form of the organization and the  
22                              jurisdiction of its governing statute;

23                              (C) the date the conversion is effective under the  
24                              governing statute of the converted organization;

25                              (D) a statement that the conversion was approved as

1 required by this Act;

2 (E) a statement that the conversion was approved as  
3 required by the governing statute of the converted  
4 organization; and

5 (F) if the converted organization is a foreign  
6 organization not authorized to transact business in  
7 this State, the street and mailing addresses of an  
8 office which the Secretary of State may use for the  
9 purposes of subsection (c) of Section 37-15; and

10 (2) if the converting organization is not a converting  
11 limited liability company, the converting organization  
12 shall deliver to the Secretary of State for filing,  
13 articles of organization, which must include, in addition  
14 to the information required by Section 5-5:

15 (A) a statement that the converted organization  
16 was converted from another organization;

17 (B) the name and form of the converting  
18 organization and the jurisdiction of its governing  
19 statute; and

20 (C) a statement that the conversion was approved in  
21 a manner that complied with the converting  
22 organization's governing statute.

23 (b) A conversion becomes effective:

24 (1) if the converted organization is a limited  
25 liability company, when the articles of organization take  
26 effect; and

1           (2) if the converted organization is not a limited  
2           liability company, as provided by the governing statute of  
3           the converted organization.

4           (805 ILCS 180/37-20)

5           Sec. 37-20. Merger of entities.

6           (a) ~~A Pursuant to a plan of merger approved under~~  
7           ~~subsection (c) of this Section, a limited liability company may~~  
8           merge ~~be merged~~ with one or more other constituent  
9           organizations pursuant to this Section, Sections 37-21 through  
10          37-30, and a plan of merger, if:

11           (1) the governing statute of each of the other  
12           organizations authorizes the merger;

13           (2) the merger is not prohibited by the law of a  
14           jurisdiction that enacted any of the governing statutes;

15           and

16           (3) each of the other organizations complies with its  
17           governing statute in effecting the merger. ~~or into one or~~  
18           ~~more limited liability companies, foreign limited~~  
19           ~~liability companies, corporations, foreign corporations,~~  
20           ~~partnerships, foreign partnerships, limited partnerships,~~  
21           ~~foreign limited partnerships, or other domestic or foreign~~  
22           ~~entities if merger with or into a limited liability company~~  
23           ~~is permitted under the law governing the domestic or~~  
24           ~~foreign entity.~~

25           (b) A plan of merger must be in a record and must include

1 ~~set forth all of the following:~~

2 (1) the ~~The~~ name and form of each constituent  
3 organization; ~~entity that is a party to the merger.~~

4 (2) the ~~The~~ name and form of the surviving organization  
5 and, if the surviving organization is to be created by the  
6 merger, a statement to that effect; ~~entity into which the~~  
7 ~~other entities will merge.~~

8 ~~(3) The type of organization of the surviving entity.~~

9 (3) the ~~(4) The~~ terms and conditions of the merger,  
10 including the. ~~(5) The~~ manner and basis for converting the  
11 interests in each constituent organization into any  
12 combination of money, shares, obligations, or other  
13 securities of each party to the merger into interests in,  
14 shares, obligations, or other securities of the surviving  
15 organization, and other consideration; entity, or into  
16 money or other property in whole or in part.

17 (4) if the surviving organization is to be created by  
18 the merger, the surviving organization's organizational  
19 documents that are proposed to be in a record; and

20 (5) if the surviving organization is not to be created  
21 by the merger, any amendments to be made by the merger to  
22 the surviving organization's organizational documents that  
23 are, or are proposed to be, in a record.

24 ~~(6) The street address of the surviving entity's~~  
25 ~~principal place of business.~~

26 ~~(c) A plan of merger must be approved:~~

1           ~~(1) in the case of a limited liability company that is~~  
2           ~~a party to the merger, by all of the members or by a number~~  
3           ~~or percentage of members specified in the operating~~  
4           ~~agreement;~~

5           ~~(2) in the case of a foreign limited liability company~~  
6           ~~that is a party to the merger, by the vote required for~~  
7           ~~approval of a merger by the law of the state or foreign~~  
8           ~~jurisdiction in which the foreign limited liability~~  
9           ~~company is organized;~~

10           ~~(3) in the case of a partnership or domestic limited~~  
11           ~~partnership that is a party to the merger, by the vote~~  
12           ~~required for approval of a conversion under Section~~  
13           ~~37-5(b); and~~

14           ~~(4) in the case of any other entities that are parties~~  
15           ~~to the merger, by the vote required for approval of a~~  
16           ~~merger by the law of this State or of the state or foreign~~  
17           ~~jurisdiction in which the entity is organized and, in the~~  
18           ~~absence of such a requirement, by all the owners of~~  
19           ~~interests in the entity.~~

20           ~~(d) After a plan of merger is approved and before the~~  
21           ~~merger takes effect, the plan may be amended or abandoned as~~  
22           ~~provided in the plan.~~

23           ~~(e) The merger is effective upon the filing of the articles~~  
24           ~~of merger with the Secretary of State, or a later date as~~  
25           ~~specified in the articles of merger not later than 30 days~~  
26           ~~subsequent to the filing of the plan of merger under Section~~



1 ~~37-25.~~

2 (Source: P.A. 90-424, eff. 1-1-98.)

3 (805 ILCS 180/37-21 new)

4 Sec. 37-21. Action on plan of merger by constituent limited  
5 liability company.

6 (a) Subject to Section 37-36, a plan of merger must be  
7 consented to by all the members of a constituent limited  
8 liability company.

9 (b) Subject to Section 37-36 and any contractual rights,  
10 after a merger is approved and at any time before articles of  
11 merger are delivered to the Secretary of State for filing under  
12 Section 37-25, a constituent limited liability company may  
13 amend the plan or abandon the merger:

14 (1) as provided in the plan; or

15 (2) except as otherwise prohibited in the plan, with  
16 the same consent as was required to approve the plan.

17 (805 ILCS 180/37-25)

18 Sec. 37-25. Articles of merger.

19 (a) After each constituent organization has approved a  
20 ~~approval of the plan of merger under Section 37-20, unless the~~  
21 ~~merger is abandoned under subsection (d) of Section 37-20,~~  
22 articles of merger must be signed on behalf of:

23 (1) each constituent limited liability company as  
24 provided in Section 5-45; and

1           (2) each other constituent organization, as provided  
2           in its governing statute and other entity that is a party  
3           ~~to the merger and delivered to the Secretary of State for~~  
4           ~~filing.~~

5           (b) Articles of merger under this Section ~~The articles~~ must  
6           include set forth all of the following:

7           (1) the ~~The~~ name and form of each constituent  
8           organization and the jurisdiction of its governing  
9           statute; ~~formation or organization of each of the limited~~  
10           ~~liability companies and other entities that are parties to~~  
11           ~~the merger.~~

12           ~~(2) For each limited liability company that is to~~  
13           ~~merge, the date its articles of organization were filed~~  
14           ~~with the Secretary of State.~~

15           ~~(3) That a plan of merger has been approved and signed~~  
16           ~~by each limited liability company and other entity that is~~  
17           ~~to merge and, if a corporation is a party to the merger, a~~  
18           ~~copy of the plan as approved by the corporation shall be~~  
19           ~~attached to the articles.~~

20           (2) the ~~(4) The~~ name and form ~~address~~ of the surviving  
21           organization, the jurisdiction of its governing statute  
22           and, if the surviving organization is created by the  
23           merger, a statement to that effect; ~~limited liability~~  
24           ~~company or other surviving entity.~~

25           (3) the ~~(5) The~~ effective date ~~of the merger is~~  
26           effective under the governing statute of the surviving

1 organization;-

2 (4) if the surviving organization is to be created by  
3 the merger:

4 (A) if it will be a limited liability company, the  
5 company's articles of organization; or

6 (B) if it will be an organization other than a  
7 limited liability company, the organizational document  
8 that creates the organization that is in a public  
9 record;

10 (5) if the surviving organization preexists the  
11 merger, any amendments provided for in the plan of merger  
12 for the organizational document that created the  
13 organization that are in a public record;

14 (6) a statement as to each constituent organization  
15 that the merger was approved as required by the  
16 organization's governing statute;

17 (7) if the surviving organization is a foreign  
18 organization not authorized to transact business in this  
19 State, the street and mailing addresses of an office the  
20 Secretary of State may use for the purposes of subsection  
21 (b) of Section 37-30; and

22 (8) any additional information required by the  
23 governing statute of any constituent organization.

24 (c) Each constituent limited liability company shall  
25 deliver the articles of merger for filing to the Secretary of  
26 State, together with a copy of that portion of the plan of

1 merger that contains the name and form of each constituent  
2 organization and the surviving organization.

3 (d) A merger becomes effective:

4 (1) if the surviving organization is a limited  
5 liability company, upon the later of:

6 (A) the filing of the articles of merger with the  
7 Secretary of State; or

8 (B) subject to Section 5-40, as specified in the  
9 articles of merger; or

10 (2) if the surviving organization is not a limited  
11 liability company, as provided by the governing statute of  
12 the surviving organization.

13 ~~(6) If a limited liability company is the surviving~~  
14 ~~entity, any changes in its articles of organization that~~  
15 ~~are necessary by reason of the merger.~~

16 ~~(7) If a party to a merger is a foreign limited~~  
17 ~~liability company, the jurisdiction and date of filing of~~  
18 ~~its initial articles of organization and the date when its~~  
19 ~~application for authority was filed by the Secretary of~~  
20 ~~State or, if an application has not been filed, a statement~~  
21 ~~to that effect.~~

22 ~~(8) If the surviving entity is not a limited liability~~  
23 ~~company, an agreement that the surviving entity may be~~  
24 ~~served with process in this State and is subject to~~  
25 ~~liability in any action or proceeding for the enforcement~~  
26 ~~of any liability or obligation of any limited liability~~

1 ~~company previously subject to suit in this State which is~~  
2 ~~to merge, and for the enforcement, as provided in this Act,~~  
3 ~~of the right of members of any limited liability company to~~  
4 ~~receive payment for their interest against the surviving~~  
5 ~~entity.~~

6 ~~(b) If a foreign limited liability company is the surviving~~  
7 ~~entity of a merger, it may not do business in this State until~~  
8 ~~an application for that authority is filed with the Secretary~~  
9 ~~of State.~~

10 ~~(c) The surviving limited liability company or other entity~~  
11 ~~shall furnish a copy of the plan of merger, on request and~~  
12 ~~without cost, to any member of any limited liability company or~~  
13 ~~any person holding an interest in any other entity that is to~~  
14 ~~merge.~~

15 ~~(d) To the extent the articles of merger are inconsistent~~  
16 ~~with the limited liability company's articles of organization,~~  
17 ~~the articles of merger shall operate as an amendment to the~~  
18 ~~company's articles of organization.~~

19 (Source: P.A. 90-424, eff. 1-1-98.)

20 (805 ILCS 180/37-30)

21 Sec. 37-30. Effect of merger.

22 (a) When a merger becomes effective ~~takes effect~~:

23 (1) the surviving organization continues or comes into  
24 existence;

25 (2) each constituent organization that merges into the

1 surviving organization ceases to exist as a separate  
2 entity;

3 (3) all property owned by each constituent  
4 organization that ceases to exist vests in the surviving  
5 organization;

6 (4) all debts, obligations, or other liabilities of  
7 each constituent organization that ceases to exist  
8 continue as debts, obligations, or other liabilities of the  
9 surviving organization;

10 (5) an action or proceeding pending by or against any  
11 constituent organization that ceases to exist may be  
12 continued as if the merger had not occurred;

13 (6) except as prohibited by other law, all of the  
14 rights, privileges, immunities, powers, and purposes of  
15 each constituent organization that ceases to exist vest in  
16 the surviving organization;

17 (7) except as otherwise provided in the plan of merger,  
18 the terms and conditions of the plan of merger take effect;

19 (8) except as otherwise agreed, if a constituent  
20 limited liability company ceases to exist, the merger does  
21 not dissolve the limited liability company for the purposes  
22 of Article 35;

23 (9) if the surviving organization is created by the  
24 merger:

25 (A) if it is a limited liability company, the  
26 articles of organization become effective; or

1           (B) if it is an organization other than a limited  
2           liability company, the organizational document that  
3           creates the organization becomes effective; and

4           (10) if the surviving organization preexisted the  
5           merger, any amendments provided for in the articles of  
6           merger for the organizational document that created the  
7           organization become effective.

8           (b) A surviving organization that is a foreign organization  
9           consents to the jurisdiction of the courts of this State to  
10           enforce any debt, obligation, or other liability owed by a  
11           constituent organization, if before the merger the constituent  
12           organization was subject to suit in this State on the debt,  
13           obligation, or other liability. A surviving organization that  
14           is a foreign organization and not authorized to transact  
15           business in this State appoints the Secretary of State as its  
16           agent for service of process for the purposes of enforcing a  
17           debt, obligation, or other liability under this subsection.  
18           Service on the Secretary of State under this subsection must be  
19           made in the same manner and has the same consequences as in  
20           subsections (b) and (c) of Section 1-50.

21           (c) A surviving organization that is a foreign organization  
22           may not do business in this State until an application for that  
23           authority is filed with the Secretary of State.

24           ~~(1) the separate existence of each limited liability~~  
25           ~~company and other entity that is a party to the merger,~~  
26           ~~other than the surviving entity, terminates;~~

1           ~~(2) all property owned by each of the limited liability~~  
2           ~~companies and other entities that are party to the merger~~  
3           ~~vests in the surviving entity;~~

4           ~~(3) all debts, liabilities, and other obligations of~~  
5           ~~each limited liability company and other entity that is~~  
6           ~~party to the merger become the obligations of the surviving~~  
7           ~~entity;~~

8           ~~(4) an action or proceeding pending by or against a~~  
9           ~~limited liability company or other party to a merger may be~~  
10           ~~continued as if the merger had not occurred or the~~  
11           ~~surviving entity may be substituted as a party to the~~  
12           ~~action or proceeding; and~~

13           ~~(5) except as prohibited by other law, all the rights,~~  
14           ~~privileges, immunities, powers, and purposes of every~~  
15           ~~limited liability company and other entity that is a party~~  
16           ~~to a merger vest in the surviving entity.~~

17           ~~(b) The Secretary of State is an agent for service of~~  
18           ~~process in an action or proceeding against the surviving~~  
19           ~~foreign entity to enforce an obligation of any party to a~~  
20           ~~merger if the surviving foreign entity fails to appoint or~~  
21           ~~maintain an agent designated for service of process in this~~  
22           ~~State or the agent for service of process cannot with~~  
23           ~~reasonable diligence be found at the designated office. Service~~  
24           ~~is effected under this subsection (b) at the earliest of:~~

25           ~~(1) the date the company receives the process, notice,~~  
26           ~~or demand;~~



1           ~~(2) the date shown on the return receipt, if signed on~~  
2           ~~behalf of the company; or~~

3           ~~(3) 5 days after its deposit in the mail, if mailed~~  
4           ~~postpaid and correctly addressed.~~

5           ~~(c) Service under subsection (b) of this Section shall be~~  
6           ~~made by the person instituting the action by doing all of the~~  
7           ~~following:~~

8           ~~(1) Serving on the Secretary of State, or on any~~  
9           ~~employee having responsibility for administering this Act,~~  
10           ~~a copy of the process, notice, or demand, together with any~~  
11           ~~papers required by law to be delivered in connection with~~  
12           ~~service and paying the fee prescribed by Article 50 of this~~  
13           ~~Act.~~

14           ~~(2) Transmitting notice of the service on the Secretary~~  
15           ~~of State and a copy of the process, notice, or demand and~~  
16           ~~accompanying papers to the surviving entity being served,~~  
17           ~~by registered or certified mail at the address set forth in~~  
18           ~~the articles of merger.~~

19           ~~(3) Attaching an affidavit of compliance with this~~  
20           ~~Section, in substantially the form that the Secretary of~~  
21           ~~State may by rule prescribe, to the process, notice, or~~  
22           ~~demand.~~

23           ~~(d) Nothing contained in this Section shall limit or affect~~  
24           ~~the right to serve any process, notice, or demand required or~~  
25           ~~permitted by law to be served upon a limited liability company~~  
26           ~~in any other manner now or hereafter permitted by law.~~

1       ~~(e) A member of the surviving limited liability company is~~  
2       ~~liable for all obligations of a party to the merger for which~~  
3       ~~the member was personally liable before the merger.~~

4       ~~(f) Unless otherwise agreed, a merger of a limited~~  
5       ~~liability company that is not the surviving entity in the~~  
6       ~~merger does not require the limited liability company to wind~~  
7       ~~up its business under this Act or pay its liabilities and~~  
8       ~~distribute its assets under this Act.~~

9       (Source: P.A. 90-424, eff. 1-1-98.)

10       (805 ILCS 180/37-31 new)

11       Sec. 37-31. Domestication.

12       (a) A foreign limited liability company may become a  
13       limited liability company pursuant to this Section, Sections  
14       37-32, 37-33, and 37-34, and a plan of domestication, if:

15               (1) the foreign limited liability company's governing  
16               statute authorizes the domestication;

17               (2) the domestication is not prohibited by the law of  
18               the jurisdiction that enacted the governing statute; and

19               (3) the foreign limited liability company complies  
20               with its governing statute in effecting the domestication.

21       (b) A limited liability company may become a foreign  
22       limited liability company pursuant to this Section, Sections  
23       37-32, 37-33, and 37-34, and a plan of domestication, if:

24               (1) the foreign limited liability company's governing  
25               statute authorizes the domestication;

1           (2) the domestication is not prohibited by the law of  
2           the jurisdiction that enacted the governing statute; and

3           (3) the foreign limited liability company complies  
4           with its governing statute in effecting the domestication.

5           (c) A plan of domestication must be in a record and must  
6           include:

7           (1) the name of the domesticating company before  
8           domestication and the jurisdiction of its governing  
9           statute;

10           (2) the name of the domesticated company after  
11           domestication and the jurisdiction of its governing  
12           statute;

13           (3) the terms and conditions of the domestication,  
14           including the manner and basis for converting interests in  
15           the domesticating company into any combination of money,  
16           interests in the domesticated company, and other  
17           consideration; and

18           (4) the organizational documents of the domesticated  
19           company that are, or are proposed to be, in a record.

20           (805 ILCS 180/37-32 new)

21           Sec. 37-32. Action on plan of domestication by  
22           domesticating limited liability company.

23           (a) A plan of domestication must be consented to:

24           (1) by all the members, subject to Section 37-36, if  
25           the domesticating company is a limited liability company;

1 and

2 (2) as provided in the domesticating company's  
3 governing statute, if the company is a foreign limited  
4 liability company.

5 (b) Subject to any contractual rights, after a  
6 domestication is approved, and at any time before articles of  
7 domestication are delivered to the Secretary of State for  
8 filing under Section 37-33, a domesticating limited liability  
9 company may amend the plan or abandon the domestication:

10 (1) as provided in the plan; or

11 (2) except as otherwise prohibited in the plan, by the  
12 same consent as was required to approve the plan.

13 (805 ILCS 180/37-33 new)

14 Sec. 37-33. Filings required for domestication; effective  
15 date.

16 (a) After a plan of domestication is approved, a  
17 domesticating company shall deliver to the Secretary of State  
18 for filing articles of domestication, which must include:

19 (1) a statement, as the case may be, that the company  
20 has been domesticated from or into another jurisdiction;

21 (2) the name of the domesticating company and the  
22 jurisdiction of its governing statute;

23 (3) the name of the domesticated company and the  
24 jurisdiction of its governing statute;

25 (4) the date the domestication is effective under the

1 governing statute of the domesticated company;

2 (5) if the domesticating company was a limited  
3 liability company, a statement that the domestication was  
4 approved as required by this Act;

5 (6) if the domesticating company was a foreign limited  
6 liability company, a statement that the domestication was  
7 approved as required by the governing statute of the other  
8 jurisdiction;

9 (7) if the domesticated company was a foreign limited  
10 liability company not authorized to transact business in  
11 this State, the street and mailing addresses of an office  
12 that the Secretary of State may use for the purposes of  
13 subsection (b) of Section 37-34; and

14 (8) if the domesticated company was a foreign limited  
15 liability company, the company's articles of organization.

16 (b) A domestication becomes effective:

17 (1) when the articles of organization take effect, if  
18 the domesticated company is a limited liability company;  
19 and

20 (2) according to the governing statute of the  
21 domesticated company, if the domesticated organization is  
22 a foreign limited liability company.

23 (805 ILCS 180/37-34 new)

24 Sec. 37-34. Effect of domestication.

25 (a) When a domestication takes effect:

1           (1) the domesticated company is for all purposes the  
2           company that existed before the domestication;

3           (2) all property owned by the domesticating company  
4           remains vested in the domesticated company;

5           (3) all debts, obligations, or other liabilities of the  
6           domesticating company continue as debts, obligations, or  
7           other liabilities of the domesticated company;

8           (4) an action or proceeding pending by or against a  
9           domesticating company may be continued as if the  
10          domestication had not occurred;

11          (5) except as prohibited by other law, all of the  
12          rights, privileges, immunities, powers, and purposes of  
13          the domesticating company remain vested in the  
14          domesticated company;

15          (6) except as otherwise provided in the plan of  
16          domestication, the terms and conditions of the plan of  
17          domestication take effect; and

18          (7) except as otherwise agreed, the domestication does  
19          not dissolve a domesticating limited liability company for  
20          the purposes of Article 35.

21          (b) A domesticated company that is a foreign limited  
22          liability company consents to the jurisdiction of the courts of  
23          this State to enforce any debt, obligation, or other liability  
24          owed by the domesticating company, if, before the  
25          domestication, the domesticating company was subject to suit in  
26          this State on the debt, obligation, or other liability. A

1 domesticated company that is a foreign limited liability  
2 company and not authorized to transact business in this State  
3 appoints the Secretary of State as its agent for service of  
4 process for purposes of enforcing a debt, obligation, or other  
5 liability under this subsection. Service on the Secretary of  
6 State under this subsection must be made in the same manner and  
7 has the same consequences as in subsections (b) and (c) of  
8 Section 1-50.

9 (c) If a limited liability company has adopted and approved  
10 a plan of domestication under Section 37-32 providing for the  
11 company to be domesticated in a foreign jurisdiction, a  
12 statement surrendering the company's articles of organization  
13 must be delivered to the Secretary of State for filing setting  
14 forth:

15 (1) the name of the company;

16 (2) a statement that the articles of organization are  
17 being surrendered in connection with the domestication of  
18 the company in a foreign jurisdiction;

19 (3) a statement that the domestication was approved as  
20 required by this Act; and

21 (4) the jurisdiction of formation of the domesticated  
22 foreign limited liability company.

23 (d) A domesticated company that is a foreign limited  
24 liability company may not do business in this State until an  
25 application for that authority is filed with the Secretary of  
26 State.

1 (805 ILCS 180/37-36 new)

2 Sec. 37-36. Restrictions on approval of mergers and  
3 conversions.

4 (a) If a member of a merging or converting limited  
5 liability company will have personal liability with respect to  
6 a surviving or converted organization, approval or amendment of  
7 a plan of merger or conversion is ineffective without the  
8 consent of the member, unless:

9 (1) the company's operating agreement provides for  
10 approval of a merger or conversion with the consent of  
11 fewer than all the members; and

12 (2) the member has consented to the provision of the  
13 operating agreement.

14 (b) A member does not give the consent required by  
15 subsection (a) merely by consenting to a provision of the  
16 operating agreement that permits the operating agreement to be  
17 amended with the consent of fewer than all the members.

18 (805 ILCS 180/37-40)

19 Sec. 37-40. Series of members, managers or limited  
20 liability company interests.

21 (a) An operating agreement may establish or provide for the  
22 establishment of designated series of members, managers or  
23 limited liability company interests having separate rights,  
24 powers or duties with respect to specified property or



1 obligations of the limited liability company or profits and  
2 losses associated with specified property or obligations, and  
3 to the extent provided in the operating agreement, any such  
4 series may have a separate business purpose or investment  
5 objective.

6 (b) Notwithstanding anything to the contrary set forth in  
7 this Section or under other applicable law, in the event that  
8 an operating agreement creates one or more series, and if  
9 separate and distinct records are maintained for any such  
10 series and the assets associated with any such series are held  
11 (directly or indirectly, including through a nominee or  
12 otherwise) and accounted for separately from the other assets  
13 of the limited liability company, or any other series thereof,  
14 and if the operating agreement so provides, and notice of the  
15 limitation on liabilities of a series as referenced in this  
16 subsection is set forth in the articles of organization of the  
17 limited liability company and if the limited liability company  
18 has filed a certificate of designation for each series which is  
19 to have limited liability under this Section, then the debts,  
20 liabilities and obligations incurred, contracted for or  
21 otherwise existing with respect to a particular series shall be  
22 enforceable against the assets of such series only, and not  
23 against the assets of the limited liability company generally  
24 or any other series thereof, and unless otherwise provided in  
25 the operating agreement, none of the debts, liabilities,  
26 obligations and expenses incurred, contracted for or otherwise

1 existing with respect to the limited liability company  
2 generally or any other series thereof shall be enforceable  
3 against the assets of such series. The fact that the articles  
4 of organization contain the foregoing notice of the limitation  
5 on liabilities of a series and a certificate of designation for  
6 a series is on file in the Office of the Secretary of State  
7 shall constitute notice of such limitation on liabilities of a  
8 series. A series with limited liability shall be treated as a  
9 separate entity to the extent set forth in the articles of  
10 organization. Each series with limited liability may, in its  
11 own name, contract, hold title to assets, grant security  
12 interests, sue and be sued and otherwise conduct business and  
13 exercise the powers of a limited liability company under this  
14 Act. The limited liability company and any of its series may  
15 elect to consolidate their operations as a single taxpayer to  
16 the extent permitted under applicable law, elect to work  
17 cooperatively, elect to contract jointly or elect to be treated  
18 as a single business for purposes of qualification to do  
19 business in this or any other state. Such elections shall not  
20 affect the limitation of liability set forth in this Section  
21 except to the extent that the series have specifically accepted  
22 joint liability by contract.

23 (c) Except in the case of a foreign limited liability  
24 company that has adopted an assumed name pursuant to Section  
25 45-15, the name of the series with limited liability must  
26 commence with the entire name of the limited liability company,

1 as set forth in its articles of organization ~~incorporation~~, and  
2 be distinguishable from the names of the other series set forth  
3 in the articles of organization. In the case of a foreign  
4 limited liability company that has adopted an assumed name  
5 pursuant to Section 45-15, the name of the series with limited  
6 liability must commence with the entire name, as set forth in  
7 the foreign limited liability company's assumed name  
8 application, under which the foreign limited liability company  
9 has been admitted to transact business in this State.

10 (d) Upon the filing of the certificate of designation with  
11 the Secretary of State setting forth the name of each series  
12 with limited liability, the series' existence shall begin, and  
13 each of the duplicate copies stamped "Filed" and marked with  
14 the filing date shall be conclusive evidence, except as against  
15 the State, that all conditions precedent required to be  
16 performed have been complied with and that the series has been  
17 or shall be legally organized and formed under this Act. If  
18 different from the limited liability company, the certificate  
19 of designation for each series shall list the name and business  
20 address of all ~~names of the members if the series is member~~  
21 ~~managed or the names~~ of the managers and any member having the  
22 authority of a ~~if the series is manager managed~~. The name of a  
23 series with limited liability under subsection (b) of this  
24 Section may be changed by filing with the Secretary of State a  
25 certificate of designation identifying the series whose name is  
26 being changed and the new name of such series. If not the same

1 as the limited liability company, the name and business address  
2 of all ~~names of the members of a member managed series~~ or of  
3 the managers and any member having the authority of a manager  
4 ~~managed series~~ may be changed by filing a new certificate of  
5 designation with the Secretary of State. A series with limited  
6 liability under subsection (b) of this Section may be dissolved  
7 by filing with the Secretary of State a certificate of  
8 designation identifying the series being dissolved or by the  
9 dissolution of the limited liability company as provided in  
10 subsection (m) of this Section. Certificates of designation may  
11 be executed by the limited liability company or any manager,  
12 person or entity designated in the operating agreement for the  
13 limited liability company.

14 (e) A series of a limited liability company will be deemed  
15 to be in good standing as long as the limited liability company  
16 is in good standing.

17 (f) The registered agent and registered office for the  
18 limited liability company in Illinois shall serve as the agent  
19 and office for service of process in Illinois for each series.

20 (g) An operating agreement may provide for classes or  
21 groups of members or managers associated with a series having  
22 such relative rights, powers and duties as the operating  
23 agreement may provide, and may make provision for the future  
24 creation of additional classes or groups of members or managers  
25 associated with the series having such relative rights, powers  
26 and duties as may from time to time be established, including

1 rights, powers and duties senior to existing classes and groups  
2 of members or managers associated with the series.

3 (h) A series may be managed by either the member or members  
4 associated with the series or by a manager or managers chosen  
5 by the members of such series, as provided in the operating  
6 agreement. Unless otherwise provided in an operating  
7 agreement, the management of a series shall be vested in the  
8 members associated with such series.

9 (i) An operating agreement may grant to all or certain  
10 identified members or managers or a specified class or group of  
11 the members or managers associated with a series the right to  
12 vote separately or with all or any class or group of the  
13 members or managers associated with the series, on any matter.  
14 An operating agreement may provide that any member or class or  
15 group of members associated with a series shall have no voting  
16 rights.

17 (j) Except to the extent modified in this Section, the  
18 provisions of this Act which are generally applicable to  
19 limited liability companies, their managers, members and  
20 transferees shall be applicable to each particular series with  
21 respect to the operation of such series.

22 (k) Except as otherwise provided in an operating agreement,  
23 any event under this Act or in an operating agreement that  
24 causes a manager to cease to be a manager with respect to a  
25 series shall not, in itself, cause such manager to cease to be  
26 a manager of the limited liability company or with respect to

1 any other series thereof.

2 (l) Except as otherwise provided in an operating agreement,  
3 any event under this Act or an operating agreement that causes  
4 a member to cease to be associated with a series shall not, in  
5 itself, cause such member to cease to be associated with any  
6 other series or terminate the continued membership of a member  
7 in the limited liability company or cause the termination of  
8 the series, regardless of whether such member was the last  
9 remaining member associated with such series.

10 (m) Except to the extent otherwise provided in the  
11 operating agreement, a series may be dissolved and its affairs  
12 wound up without causing the dissolution of the limited  
13 liability company. The dissolution of a series established in  
14 accordance with subsection (b) of this Section shall not affect  
15 the limitation on liabilities of such series provided by  
16 subsection (b) of this Section. A series is terminated and its  
17 affairs shall be wound up upon the dissolution of the limited  
18 liability company under Article 35 of this Act.

19 (n) If a limited liability company with the ability to  
20 establish series does not register to do business in a foreign  
21 jurisdiction for itself and certain of its series, a series of  
22 a limited liability company may itself register to do business  
23 as a limited liability company in the foreign jurisdiction in  
24 accordance with the laws of the foreign jurisdiction.

25 (o) If a foreign limited liability company, as permitted in  
26 the jurisdiction of its organization, has established a series

1 having separate rights, powers or duties and has limited the  
2 liabilities of such series so that the debts, liabilities and  
3 obligations incurred, contracted for or otherwise existing  
4 with respect to a particular series are enforceable against the  
5 assets of such series only, and not against the assets of the  
6 limited liability company generally or any other series  
7 thereof, or so that the debts, liabilities, obligations and  
8 expenses incurred, contracted for or otherwise existing with  
9 respect to the limited liability company generally or any other  
10 series thereof are not enforceable against the assets of such  
11 series, then the limited liability company, on behalf of itself  
12 or any of its series, or any of its series on their own behalf  
13 may register to do business in the State in accordance with  
14 Section 45-5 of this Act. The limitation of liability shall be  
15 so stated on the application for admission as a foreign limited  
16 liability company and a certificate of designation shall be  
17 filed for each series being registered to do business in the  
18 State by the limited liability company. Unless otherwise  
19 provided in the operating agreement, the debts, liabilities and  
20 obligations incurred, contracted for or otherwise existing  
21 with respect to a particular series of such a foreign limited  
22 liability company shall be enforceable against the assets of  
23 such series only, and not against the assets of the foreign  
24 limited liability company generally or any other series thereof  
25 and none of the debts, liabilities, obligations and expenses  
26 incurred, contracted for or otherwise existing with respect to

1 such a foreign limited liability company generally or any other  
2 series thereof shall be enforceable against the assets of such  
3 series.

4 (Source: P.A. 98-720, eff. 7-16-14.)

5 (805 ILCS 180/50-1)

6 Sec. 50-1. Annual reports.

7 (a) Each limited liability company organized under the laws  
8 of this State and each foreign limited liability company  
9 admitted to transact business in this State shall file, within  
10 the time prescribed by this Act, an annual report setting forth  
11 all of the following:

12 (1) The name of the limited liability company.

13 (2) The address, including street and number or rural  
14 route number, of its registered office in this State and  
15 the name of its registered agent at that address.

16 (3) The address, including street and number or rural  
17 route number of its principal place of business.

18 (4) The name ~~names~~ and business address ~~addresses~~ of  
19 all of the ~~its~~ managers and any member having the authority  
20 of a manager ~~or, if none, the members~~.

21 (5) Additional information that may be necessary or  
22 appropriate in order to enable the Secretary of State to  
23 administer this Act and to verify the proper amount of fees  
24 payable by the limited liability company.

25 (6) The annual report shall be made on forms prescribed



1 and furnished by the Secretary of State, and the  
2 information therein, required by paragraphs (1) through  
3 (4) of subsection (a), both inclusive, shall be given as of  
4 the date of execution of the annual report. The annual  
5 report shall be executed by a manager or, if none, a member  
6 designated by the members pursuant to limited liability  
7 company action properly taken under Section 15-1.

8 (b) The annual report, together with all fees and charges  
9 prescribed by this Act, shall be delivered to the Secretary of  
10 State within 60 days immediately preceding the first day of the  
11 anniversary month. Proof to the satisfaction of the Secretary  
12 of State that, before the first day of the anniversary month of  
13 the limited liability company, the report, together with all  
14 fees and charges as prescribed by this Act, was deposited in  
15 the United States mail in a sealed envelope, properly  
16 addressed, with postage prepaid, shall be deemed a compliance  
17 with this requirement. If the Secretary of State finds that the  
18 report conforms to the requirements of this Act, he or she  
19 shall file it. If the Secretary of State finds that it does not  
20 so conform, he or she shall promptly return it to the limited  
21 liability company for any necessary corrections, in which event  
22 the penalties prescribed for failure to file the report within  
23 the time provided shall not apply if the report is corrected to  
24 conform to the requirements of this Act and returned to the  
25 Secretary of State within 60 days of the original due date of  
26 the report.

1 (Source: P.A. 90-424, eff. 1-1-98; 91-354, eff. 1-1-00.)

2 (805 ILCS 180/50-10)

3 Sec. 50-10. Fees.

4 (a) The Secretary of State shall charge and collect in  
5 accordance with the provisions of this Act and rules  
6 promulgated under its authority all of the following:

7 (1) Fees for filing documents.

8 (2) Miscellaneous charges.

9 (3) Fees for the sale of lists of filings and for  
10 copies of any documents.

11 (b) The Secretary of State shall charge and collect for all  
12 of the following:

13 (1) Filing articles of organization (domestic),  
14 application for admission (foreign), and restated articles  
15 of organization (domestic), \$500. Notwithstanding the  
16 foregoing, the fee for filing articles of organization  
17 (domestic), application for admission (foreign), and  
18 restated articles of organization (domestic) in connection  
19 with a limited liability company with a series or the  
20 ability to establish a series pursuant to Section 37-40 of  
21 this Act is \$750.

22 (2) Filing amendments (domestic or foreign) articles  
23 ~~of amendment or an amended application for admission~~, \$150.

24 (3) Filing a statement of termination ~~articles of~~  
25 ~~dissolution~~ or application for withdrawal, \$25 ~~\$100~~.

- 1 (4) Filing an application to reserve a name, \$300.
- 2 (5) Filing a notice of cancellation of a reserved name,  
3 \$100.
- 4 (6) Filing a notice of a transfer of a reserved name,  
5 \$100.
- 6 (7) Registration of a name, \$300.
- 7 (8) Renewal of registration of a name, \$100.
- 8 (9) Filing an application for use of an assumed name  
9 under Section 1-20 of this Act, \$150 for each year or part  
10 thereof ending in 0 or 5, \$120 for each year or part  
11 thereof ending in 1 or 6, \$90 for each year or part thereof  
12 ending in 2 or 7, \$60 for each year or part thereof ending  
13 in 3 or 8, \$30 for each year or part thereof ending in 4 or  
14 9, and a renewal for each assumed name, \$150.
- 15 (10) Filing an application for change or cancellation  
16 of an assumed name, \$100.
- 17 (11) Filing an annual report of a limited liability  
18 company or foreign limited liability company, \$250, if  
19 filed as required by this Act, plus a penalty if  
20 delinquent. Notwithstanding the foregoing, the fee for  
21 filing an annual report of a limited liability company or  
22 foreign limited liability company ~~with ability to~~  
23 ~~establish series~~ is \$250 plus \$50 for each series for which  
24 a certificate of designation has been filed pursuant to  
25 Section 37-40 of this Act and is in effect ~~active~~ on the  
26 last day of the third month preceding the company's

1 anniversary month, plus a penalty if delinquent.

2 (12) Filing an application for reinstatement of a  
3 limited liability company or foreign limited liability  
4 company \$500.

5 (13) Filing articles ~~Articles~~ of merger ~~Merger~~, \$100  
6 plus \$50 for each party to the merger in excess of the  
7 first 2 parties.

8 (14) Filing articles of conversion ~~an Agreement of~~  
9 ~~Conversion or Statement of Conversion~~, \$100.

10 (15) Filing a statement of change of address of  
11 registered office or change of registered agent, or both,  
12 or filing a statement of correction, \$25.

13 (16) Filing a petition for refund, \$15.

14 (17) Filing a certificate of designation of a limited  
15 liability company with a series pursuant to Section 37-40  
16 of this Act, \$50.

17 (18) Filing articles of domestication, \$100.

18 (19) Filing, amending, or cancelling a statement of  
19 authority, \$50.

20 (20) Filing, amending, or cancelling a statement of  
21 denial, \$10.

22 (21) ~~(17)~~ Filing any other document, \$100.

23 ~~(18) Filing a certificate of designation of a limited~~  
24 ~~liability company with the ability to establish series~~  
25 ~~pursuant to Section 37-40 of this Act, \$50.~~

26 (c) The Secretary of State shall charge and collect all of

1 the following:

2 (1) For furnishing a copy or certified copy of any  
3 document, instrument, or paper relating to a limited  
4 liability company or foreign limited liability company, or  
5 for a certificate, \$25.

6 (2) For the transfer of information by computer process  
7 media to any purchaser, fees established by rule.

8 (Source: P.A. 97-839, eff. 7-20-12.)

9 (805 ILCS 180/55-1)

10 Sec. 55-1. Construction and application.

11 (a) This Act shall be so applied and construed to  
12 effectuate its general purpose.

13 (b) Subject to subsection (b) of Section 15-5, it is the  
14 policy of this Act to give maximum effect to the principles of  
15 freedom of contract and to the enforceability of operating  
16 agreements.

17 (c) Rules that statutes in derogation of the common law are  
18 to be strictly construed shall have no application to this Act.

19 (d) Unless the context otherwise requires, as used in this  
20 Act, the singular shall include the plural and the plural shall  
21 include the singular. The use of any gender shall be applicable  
22 to all genders. The captions contained in this Act are for  
23 purposes of convenience only and shall not control or affect  
24 the construction of this Act.

25 (Source: P.A. 87-1062.)

1 (805 ILCS 180/55-3 new)

2 Sec. 55-3. Relation to Electronic Signatures in Global and  
3 National Commerce Act. This Act modifies, limits, and  
4 supersedes the federal Electronic Signatures in Global and  
5 National Commerce Act, 15 U.S.C. Section 7001 et seq., but does  
6 not modify, limit, or supersede Section 101(c) of that Act, 15  
7 U.S.C. Section 7001(c), or authorize electronic delivery of any  
8 of the notices described in Section 103(b) of that Act, 15  
9 U.S.C. Section 7003(b).

10 (805 ILCS 180/35-60 rep.)

11 (805 ILCS 180/35-65 rep.)

12 (805 ILCS 180/35-70 rep.)

13 Section 10. The Limited Liability Company Act is amended by  
14 repealing Sections 35-60, 35-65, and 35-70.

15 Section 99. Effective date. This Act takes effect July 1,  
16 2017.

1 INDEX

2 Statutes amended in order of appearance

- 3 805 ILCS 180/1-5
- 4 805 ILCS 180/1-6 new
- 5 805 ILCS 180/1-30
- 6 805 ILCS 180/1-40
- 7 805 ILCS 180/1-46 new
- 8 805 ILCS 180/1-65 new
- 9 805 ILCS 180/5-5
- 10 805 ILCS 180/5-45
- 11 805 ILCS 180/5-47
- 12 805 ILCS 180/5-50
- 13 805 ILCS 180/10-1
- 14 805 ILCS 180/10-15
- 15 805 ILCS 180/13-5
- 16 805 ILCS 180/13-15 new
- 17 805 ILCS 180/13-20 new
- 18 805 ILCS 180/15-1
- 19 805 ILCS 180/15-3
- 20 805 ILCS 180/15-5
- 21 805 ILCS 180/15-7
- 22 805 ILCS 180/20-1
- 23 805 ILCS 180/20-5
- 24 805 ILCS 180/25-35

- 1 805 ILCS 180/Art. 30
- 2 heading
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- 4 805 ILCS 180/30-10
- 5 805 ILCS 180/30-20
- 6 805 ILCS 180/30-25 new
- 7 805 ILCS 180/35-1
- 8 805 ILCS 180/35-3
- 9 805 ILCS 180/35-4
- 10 805 ILCS 180/35-7
- 11 805 ILCS 180/35-15
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- 13 805 ILCS 180/35-37 new
- 14 805 ILCS 180/35-45
- 15 805 ILCS 180/35-55
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- 18 805 ILCS 180/37-5
- 19 805 ILCS 180/37-10
- 20 805 ILCS 180/37-15
- 21 805 ILCS 180/37-16 new
- 22 805 ILCS 180/37-17 new
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- 24 805 ILCS 180/37-21 new
- 25 805 ILCS 180/37-25
- 26 805 ILCS 180/37-30



- 1 805 ILCS 180/37-31 new
- 2 805 ILCS 180/37-32 new
- 3 805 ILCS 180/37-33 new
- 4 805 ILCS 180/37-34 new
- 5 805 ILCS 180/37-36 new
- 6 805 ILCS 180/37-40
- 7 805 ILCS 180/50-1
- 8 805 ILCS 180/50-10
- 9 805 ILCS 180/55-1
- 10 805 ILCS 180/55-3 new
- 11 805 ILCS 180/35-60 rep.
- 12 805 ILCS 180/35-65 rep.
- 13 805 ILCS 180/35-70 rep.