

SB0628



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0628

Introduced 2/8/2007, by Sen. Matt Murphy

SYNOPSIS AS INTRODUCED:

805 ILCS 180/10-10
805 ILCS 180/35-7

Amends the Limited Liability Company Act. Provides that a member or manager who, with knowledge of the dissolution, subjects a limited liability company to liability by an act that is not appropriate for winding up the company's business is liable to the company and to any third party with whom the member or manager contracts after the dissolution for any damage caused to the company or third party arising from the liability. Effective immediately.

LRB095 10776 LCT 31018 b

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 10-10 and 35-7 as follows:

6 (805 ILCS 180/10-10)

7 Sec. 10-10. Liability of members and managers.

8 (a) Except as otherwise provided in subsection (d) of this
9 Section and Section 35-7, the debts, obligations, and
10 liabilities of a limited liability company, whether arising in
11 contract, tort, or otherwise, are solely the debts,
12 obligations, and liabilities of the company. A member or
13 manager is not personally liable for a debt, obligation, or
14 liability of the company solely by reason of being or acting as
15 a member or manager.

16 (b) (Blank).

17 (c) The failure of a limited liability company to observe
18 the usual company formalities or requirements relating to the
19 exercise of its company powers or management of its business is
20 not a ground for imposing personal liability on the members or
21 managers for liabilities of the company.

22 (d) All or specified members of a limited liability company
23 are liable in their capacity as members for all or specified

1 debts, obligations, or liabilities of the company if:

2 (1) a provision to that effect is contained in the
3 articles of organization; and

4 (2) a member so liable has consented in writing to the
5 adoption of the provision or to be bound by the provision.

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

7 (805 ILCS 180/35-7)

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

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

12 (1) is appropriate for winding up the company's
13 business; or

14 (2) would have bound the company under Section 13-5
15 before dissolution, if the other party to the transaction
16 did not have notice of the dissolution.

17 (b) A member or manager who, with knowledge of the
18 dissolution, subjects a limited liability company to liability
19 by an act that is not appropriate for winding up the company's
20 business is liable to the company and to any third party with
21 whom the member or manager contracts after the dissolution for
22 any damage caused to the company or third party arising from
23 the liability.

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

25 Section 99. Effective date. This Act takes effect upon

1 becoming law.