



Sen. Don Harmon

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LRB099 03415 JLS 32029 a

1 AMENDMENT TO SENATE BILL 140

2 AMENDMENT NO. _____. Amend Senate Bill 140 by replacing
3 everything after the enacting clause.

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

1 years after: (i) the date the articles of organization filed
2 under Section 5-5 of this Act were filed by the Office of the
3 Secretary of State, in the case of a limited liability company;
4 or (ii) the date the application for admission to transact
5 business filed under Section 45-5 of this Act was filed by the
6 Office of the Secretary of State, in the case of a foreign
7 limited liability company.

8 "Anniversary month" means the month in which the
9 anniversary of the limited liability company occurs.

10 "Articles of organization" means the articles of
11 organization filed by the Secretary of State for the purpose of
12 forming a limited liability company as specified in Article 5
13 and all amendments thereto, whether evidenced by articles of
14 amendment, articles of merger, or a statement of correction
15 affecting the articles.

16 "Assumed limited liability company name" means any limited
17 liability company name other than the true limited liability
18 company name, except that the identification by a limited
19 liability company of its business with a trademark or service
20 mark of which it is the owner or licensed user shall not
21 constitute the use of an assumed name under this Act.

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

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

1 "Company" means a limited liability company.

2 "Contribution" means any cash, property, ~~or~~ services
3 rendered, or other benefit, or a promissory note or other
4 binding obligation to contribute cash or property, ~~or to~~
5 perform services, or provide any other benefit, that a person
6 contributes to the limited liability company in that person's
7 capacity as a member or in order to become a member.

8 "Court" includes every court and judge having jurisdiction
9 in a case.

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

15 "Distribution" means a transfer of money, property, or
16 other benefit from a limited liability company to a member in
17 the member's capacity as a member or to a transferee of the
18 member's distributional interest.

19 "Distributional interest" means ~~all of~~ a member's right to
20 receive interest in distributions of by the limited liability
21 company's assets, but no other rights or interest of a member
22 company.

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

24 "Federal employer identification number" means either (i)
25 the federal employer identification number assigned by the
26 Internal Revenue Service to the limited liability company or

1 foreign limited liability company or (ii) in the case of a
2 limited liability company or foreign limited liability company
3 not required to have a federal employer identification number,
4 any other number that may be assigned by the Internal Revenue
5 Service for purposes of identification.

6 "Foreign limited liability company" means an
7 unincorporated entity organized under laws other than the laws
8 of this State that afford limited liability to its owners
9 comparable to the liability under Section 10-10 and is not
10 required to register to transact business under any law of this
11 State other than this Act.

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

15 "Legal representative" means, without limitation, an
16 executor, administrator, guardian, personal representative and
17 agent, including an appointee under a power of attorney.

18 "Limited liability company" means a limited liability
19 company organized under this Act.

20 "L3C" or "low-profit limited liability company" means a
21 for-profit limited liability company which satisfies the
22 requirements of Section 1-26 of this Act and does not have as a
23 significant purpose the production of income or the
24 appreciation of property.

25 "Manager" means a person, whether or not a member of a
26 manager-managed company, who is vested with authority in an

1 operating agreement as provided in ~~under~~ Section 15-1 ~~13-5~~.

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

6 "Member" means a person who becomes a member of the limited
7 liability company upon formation of the company or in the
8 manner and at the time provided in the operating agreement or,
9 if the operating agreement does not so provide, in the manner
10 and at the time provided in this Act.

11 "Member-managed company" means a limited liability company
12 other than a manager-managed company.

13 "Membership interest" means all of a member's rights in the
14 limited liability company, including the member's right to
15 receive distributions of the limited liability company's
16 assets.

17 "Operating agreement" means the agreement under Section
18 15-5, whether or not referred to as an operating agreement and
19 whether oral, in a record, implied, or in any combination
20 thereof, of all of the members of a limited liability company,
21 including a sole member, concerning the relations among the
22 members, managers, and limited liability company. The term
23 "operating agreement" includes amendments to the agreement.

24 "Organizer" means one of the signers of the original
25 articles of organization.

26 "Person" means an individual, partnership, domestic or

1 foreign limited partnership, limited liability company or
2 foreign limited liability company, trust, estate, association,
3 corporation, governmental body, or other juridical being.

4 "Record" means information that is inscribed on a tangible
5 medium or that is stored in an electronic or other medium and
6 is retrievable in perceivable form.

7 "Registered office" means that office maintained by the
8 limited liability company in this State, the address, including
9 street, number, city and county, of which is on file in the
10 office of the Secretary of State, at which, any process,
11 notice, or demand required or permitted by law may be served
12 upon the registered agent of the limited liability company.

13 "Registered agent" means a person who is an agent for
14 service of process on the limited liability company who is
15 appointed by the limited liability company and whose address is
16 the registered office of the limited liability company.

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

19 "Sign" means, with the present intent to authenticate or
20 adopt a record:

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

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

24 "State" means a state, territory, or possession of the
25 United States, the District of Columbia, or the Commonwealth of
26 Puerto Rico.

1 "Transfer" includes an assignment, conveyance, deed, bill
2 of sale, lease, mortgage, security interest, encumbrance, and
3 gift.

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

5 (805 ILCS 180/1-6 new)

6 Sec. 1-6. Electronic records. Any requirement in this Act
7 that there be a writing or that any document, instrument, or
8 agreement be written or in ink is subject to the provisions of
9 the Electronic Commerce Security Act.

10 (805 ILCS 180/1-30)

11 Sec. 1-30. Powers. Each limited liability company
12 organized and existing under this Act may do all of the
13 following:

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

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

22 (3) Purchase, take, receive, lease as lessee, take by gift,
23 legacy, or otherwise acquire, own, hold, use, and otherwise
24 deal in and with any real or personal property, or any interest

1 therein, wherever situated.

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

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

7 (6) Purchase, take, receive, subscribe for or otherwise
8 acquire, own, hold, vote, use, employ, sell, mortgage, loan,
9 pledge, or otherwise dispose of, and otherwise use and deal in
10 and with, shares or other interests in or obligations of other
11 limited liability companies, domestic or foreign corporations,
12 associations, general or limited partnerships, or individuals.

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

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

25 (9) Conduct its business, carry on its operations, have
26 offices within and without this State, and exercise in any

1 other state, territory, district, or possession of the United
2 States or in any foreign country the powers granted by this
3 Act.

4 (10) Designate ~~Fleet~~ managers and appoint officers and
5 other agents of the limited liability company, define their
6 duties, and fix their compensation.

7 (11) Enter into or amend an operating agreement, not
8 inconsistent with the laws of this State, for the
9 administration and regulation of the affairs of the limited
10 liability company.

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

15 (13) Establish deferred compensation plans, pension plans,
16 profit-sharing plans, bonus plans, option plans, and other
17 incentive plans for its managers and employees and make the
18 payments provided for therein.

19 (14) Become a promoter, partner, member, associate, or
20 manager of any general partnership, limited partnership, joint
21 venture or similar association, any other limited liability
22 company, or other enterprise.

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

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

1 (805 ILCS 180/1-40)

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

3 (a) Each limited liability company shall keep at the
4 principal place of business of the company named in the
5 articles of organization or other reasonable locations
6 specified in the operating agreement all of the following:

7 (1) A list of the full name and last known address of
8 each member setting forth the amount of cash each member
9 has contributed, a description and statement of the agreed
10 value of the other property or services each member has
11 contributed or has agreed to contribute in the future, and
12 the date on which each became a member.

13 (2) A copy of the articles of organization, as amended
14 or restated, together with executed copies of any powers of
15 attorney under which any articles, application, or
16 certificate has been executed.

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

20 (4) Copies of any then effective written operating
21 agreement and any amendments thereto and of any financial
22 statements of the limited liability company for the 3 most
23 recent years.

24 (b) Records kept under this Section may be inspected and
25 copied at the request and expense of any member or legal

1 representative of a deceased member or member under legal
2 disability during ordinary business hours.

3 (c) The rights under subsection (b) of this Section also
4 extend to a transferee of a distributional interest, but only
5 for a proper purpose. In order to exercise this right, a
6 transferee must make written demand upon the limited liability
7 company, stating with particularity the records sought to be
8 inspected and the purpose of the demand.

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

11 (1) the company shall provide the information demanded
12 or, in a record, a description of the information the
13 company will provide, stating a reasonable time within
14 which it will be provided and the place where it will be
15 provided; and

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

19 A transferee may exercise the rights under this subsection
20 through a legal representative.

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

22 (805 ILCS 180/1-46 new)

23 Sec. 1-46. Applicability of statute of frauds. An operating
24 agreement is enforceable whether or not there is a writing
25 signed or record authenticated by a party against whom

1 enforcement is sought, even if the agreement is not capable of
2 performance within one year of its making.

3 (805 ILCS 180/1-65 new)

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

5 (1) the internal affairs and organization of a limited
6 liability company;

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

10 (3) the internal affairs and establishment of a series
11 of a limited liability company;

12 (4) the liability of a member or a manager associated
13 with a series for the debts, obligations, or other
14 liabilities of the series; and

15 (5) the liability of a series for the debts,
16 obligations, or other liabilities of the limited liability
17 company that established the series or for another series
18 established by the limited liability company, and the
19 liability of the limited liability company for the debts,
20 obligations, or other liabilities of a series established
21 by the limited liability company.

22 (805 ILCS 180/5-5)

23 Sec. 5-5. Articles of organization.

24 (a) The articles of organization shall set forth all of the

1 following:

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

5 (2) The purposes for which the limited liability
6 company is organized, which may be stated to be, or to
7 include, the transaction of any or all lawful businesses
8 for which limited liability companies may be organized
9 under this Act.

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

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

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

25 (5.5) The duration of the limited liability company,
26 which shall be perpetual unless otherwise stated.

1 (6) (Blank).

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

3 (8) Any other provision, not inconsistent with law,
4 that the members elect to set out in the articles of
5 organization for the regulation of the internal affairs of
6 the limited liability company, including any provisions
7 that, under this Act, are required or permitted to be set
8 out in the operating agreement of the limited liability
9 company.

10 (b) A limited liability company is organized at the time
11 articles of organization are filed by the Secretary of State or
12 at any later time, not more than 60 days after the filing of
13 the articles of organization, specified in the articles of
14 organization.

15 (c) Articles of organization for the organization of a
16 limited liability company for the purpose of accepting and
17 executing trusts shall not be filed by the Secretary of State
18 until there is delivered to him or her a statement executed by
19 the Secretary Commissioner of the Department of Financial and
20 Professional Regulation or successor State board, department,
21 or agency having jurisdiction over the regulation of trust
22 companies ~~Office of Banks and Real Estate~~ that the organizers
23 of the limited liability company have made arrangements with
24 the Secretary Commissioner of the Department of Financial and
25 Professional Regulation or successor State board, department,
26 or agency having jurisdiction over the regulation of trust

1 companies ~~Office of Banks and Real Estate~~ to comply with the
2 Corporate Fiduciary Act.

3 (d) Articles of organization for the organization of a
4 limited liability company as a bank or a savings bank must be
5 filed with the Secretary of the Department of Financial and
6 Professional Regulation or successor State board, department,
7 or agency having jurisdiction over the regulation of banks or
8 savings banks ~~Commissioner of Banks and Real Estate~~ or, if the
9 bank or savings bank will be organized under federal law, with
10 the appropriate federal banking regulator.

11 (Source: P.A. 98-171, eff. 8-5-13.)

12 (805 ILCS 180/5-45)

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

14 (a) All reports required by this Act to be filed in the
15 Office of the Secretary of State shall be made on forms
16 prescribed and furnished by the Secretary of State. Forms for
17 all other documents to be filed in the Office of the Secretary
18 of State shall be furnished by the Secretary of State upon
19 request therefor, but the use thereof, unless otherwise
20 specifically prescribed in this Act, shall not be mandatory.

21 (b) Whenever any provision of this Act specifically
22 requires any document to be executed by the limited liability
23 company in accordance with this Section, unless otherwise
24 specifically stated in this Act and subject to any additional
25 provisions of this Act, the document shall be signed ~~executed,~~

1 ~~in ink,~~ as follows:

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

4 (2) A document filed on behalf of a dissolved limited
5 liability company that has no members must be signed by the
6 person winding up the company's activities under Section
7 35-4.

8 (3) Any other document must be signed by a person
9 authorized by the limited liability company to sign it. All
10 ~~other documents shall be signed:~~

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

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

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

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

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

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

1 (805 ILCS 180/5-47)

2 Sec. 5-47. Statement of correction.

3 (a) Whenever any instrument authorized to be filed with the
4 Secretary of State under any provision of this Act has been so
5 filed and, as of the date of the action therein referred to,
6 contains any misstatement of fact, typographical error, error
7 of transcription, or ~~any~~ other error or defect or was
8 defectively or erroneously executed, such instrument may be
9 corrected by filing, in accordance with Section 5-45 of this
10 Act, a statement of correction.

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

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

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

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

18 (c) A statement of correction shall be executed in the same
19 manner in which the instrument being corrected was required to
20 be executed.

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

23 (e) A statement of correction shall not:

24 (1) Effect any change or amendment of articles which
25 would not in all respects have complied with the
26 requirements of this Act at the time of filing the

1 instrument being corrected.

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

4 (3) Affect any right or liability accrued or incurred
5 before such filing, except that any right or liability
6 accrued or incurred by reason of the error or defect being
7 corrected shall be extinguished by such filing if the
8 person having such right has not detrimentally relied on
9 the original instrument.

10 (4) (Blank). ~~Alter the provisions of the articles of~~
11 ~~organization with respect to the limited liability company~~
12 ~~name, purpose, ability to establish series, or the names~~
13 ~~and addresses of the organizers, initial manager or~~
14 ~~managers, and initial member or members.~~

15 (5) (Blank). ~~Alter the provisions of the application~~
16 ~~for admission to transact business as a foreign limited~~
17 ~~liability company with respect to the limited liability~~
18 ~~name or ability to establish series.~~

19 (6) (Blank). ~~Alter the provisions of the application to~~
20 ~~adopt or change an assumed limited liability company name~~
21 ~~with respect to the assumed limited liability company name.~~

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

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

1 (805 ILCS 180/5-50)

2 Sec. 5-50. Amendment or termination ~~dissolution~~ by
3 judicial act. If a person required by Section 5-45 to execute
4 an amendment or statement ~~articles~~ of termination ~~dissolution~~
5 fails or refuses to do so, any other member and any transferee
6 of a limited liability company interest, who is adversely
7 affected by the failure or refusal, may petition a court to
8 direct the amendment or statement of termination ~~dissolution~~.
9 If the court finds that the amendment or statement of
10 termination ~~dissolution~~ is proper and that any person so
11 designated has failed or refused to execute the amendment or
12 statement ~~articles~~ of termination ~~dissolution~~, it shall order
13 the Secretary of State to record an appropriate amendment or
14 statement of termination ~~dissolution~~.

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

16 (805 ILCS 180/10-1)

17 Sec. 10-1. Admission of members.

18 (a) A person becomes a member:

19 (1) upon formation of the company, as provided in an
20 agreement between the organizer and the initial member if
21 there is only one member, or as provided in an agreement
22 among initial members if there is more than one member;

23 (2) after the formation of the company,

24 (A) as provided in the operating agreement;

25 (B) as the result of a transaction effective under

1 Article 37;

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

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

5 (i) the last person to have been a member, or
6 the legal representative of that person,
7 designates a person to become a member; and

8 (ii) the designated person consents to become
9 a member.

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

13 (c) A person may become a member without acquiring a
14 distributional interest and without making or being obligated
15 to make a contribution to the limited liability company. After
16 the filing of the articles of organization, a person who
17 acquires a membership interest directly from the limited
18 liability company or is a transferee of a membership interest
19 may be admitted as a member with unanimous consent of the
20 members.

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

22 (805 ILCS 180/10-15)

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

25 (a) A company shall furnish information when any member

1 demands it in a record concerning the company's activities,
2 financial condition, and other circumstances of the company's
3 business necessary to the proper exercise of a member's rights
4 and duties under the operating agreement or this Act or that is
5 otherwise material to the membership interest of a member,
6 unless the company knows that the member already knows that
7 information.

8 (b) The following rules apply when a member makes a demand
9 for information under this Section:

10 (1) During regular business hours and at a reasonable
11 location and time specified by the company, a member may
12 obtain from the company, inspect, and copy information for
13 a purpose consistent with subsection (a).

14 (2) Within 10 days after receiving a demand pursuant to
15 subsection (a):

16 (A) the company shall provide the information
17 demanded or, in a record, a description of the
18 information the company will provide, stating a
19 reasonable time within which it will be provided and
20 the place where it will be provided; and

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

24 (c) Whenever this Act or an operating agreement provides
25 for a member to give or withhold consent to a matter, before
26 the consent is given or withheld, the company shall, without

1 demand, provide the member with all information that is known
2 to the company that is material to the member's decision.

3 (d) Within 10 days after a demand made in a record received
4 by the limited liability company, a dissociated member may have
5 access to information to which the person was entitled while a
6 member if the information pertains to the period during which
7 the person was a member, and the person seeks the information
8 in good faith for a purpose consistent with subsection (a). The
9 company shall respond to a demand made pursuant to this
10 subsection in the manner provided in subdivisions (A) and (B)
11 of paragraph (2) of subsection (b).

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

15 (f) A member or dissociated member may exercise rights
16 under this Section through an agent or, in the case of an
17 individual under legal disability, a legal representative. Any
18 restriction or condition imposed by the operating agreement or
19 under subsection (h) applies both to the agent or legal
20 representative and the member or dissociated member.

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

23 (h) In addition to any restriction or condition stated in
24 its operating agreement, the limited liability company, as a
25 matter within the ordinary course of its activities, may impose
26 reasonable restrictions and conditions on access to and use of

1 information to be furnished under this Section including, but
2 not limited to, the designation of information such as trade
3 secrets or information subject to confidentiality agreements
4 with third parties as confidential with appropriate
5 nondisclosure and safeguarding obligations. In a dispute
6 concerning the reasonableness of a restriction or designation
7 under this subsection, the company has the burden of proving
8 reasonableness.

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

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

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

1 (805 ILCS 180/13-5)

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

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

7 (b) Nothing herein shall be deemed to limit the effect of
8 law other than this Act, including the law of agency.

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

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

22 ~~(2) An act of a member that is not apparently for~~
23 ~~carrying on, in the ordinary course, the company's business~~
24 ~~or business of the kind carried on by the company binds the~~
25 ~~company only if the act was authorized by the other~~

1 ~~members.~~

2 ~~(b) Subject to subsection (c), in a manager managed~~
3 ~~company:~~

4 ~~(1) A member is not an agent of the company for the~~
5 ~~purpose of its business solely by reason of being a member.~~
6 ~~Each manager is an agent of the company for the purpose of~~
7 ~~its business, and an act of a manager, including the~~
8 ~~signing of an instrument in the company's name, for~~
9 ~~apparently carrying on, in the ordinary course, the~~
10 ~~company's business or business of the kind carried on by~~
11 ~~the company binds the company, unless the manager had no~~
12 ~~authority to act for the company in the particular matter~~
13 ~~and the person with whom the manager was dealing knew or~~
14 ~~had notice that the manager lacked authority.~~

15 ~~(2) An act of a manager which 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 under Section 15-1.~~

19 ~~(c) Unless the articles of organization limit their~~
20 ~~authority, any member of a member managed company or manager of~~
21 ~~a manager managed company may sign and deliver any instrument~~
22 ~~transferring or affecting the company's interest in real~~
23 ~~property. The instrument is conclusive in favor of a person who~~
24 ~~gives value without knowledge of the lack of the authority of~~
25 ~~the person signing and delivering the instrument.~~

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

1 (805 ILCS 180/13-15 new)

2 Sec. 13-15. Statement of authority.

3 (a) A limited liability company may deliver to the
4 Secretary of State for filing a statement of authority. The
5 statement:

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

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

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

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

15 (b) To amend or cancel a statement of authority, a limited
16 liability company must deliver to the Secretary of State for
17 filing a statement of amendment or cancellation. The statement
18 must include:

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

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

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

25 (c) Except as otherwise provided in subsections (e) and

1 (f), a limitation on the authority of a member or manager of
2 the limited liability company contained in a statement of
3 authority is not by itself evidence of knowledge or notice of
4 the limitation by any person.

5 (d) A grant of authority not pertaining to transfers of
6 real property and contained in a statement of authority is
7 conclusive in favor of a person that is not a member and that
8 gives value in reliance on the grant, except to the extent that
9 when the person gives value, the person has knowledge to the
10 contrary.

11 (e) A certified copy of a statement of authority that
12 grants authority to transfer real property held in the name of
13 the limited liability company and that is recorded in the
14 office for recording transfers of the real property is
15 conclusive in favor of a person that is not a member and that
16 gives value in reliance on the grant without knowledge to the
17 contrary.

18 (f) If a certified copy of a statement of authority
19 containing a limitation on the authority to transfer real
20 property held in the name of a limited liability company is
21 recorded in the office for recording transfers of that real
22 property, all persons that are not members are deemed to know
23 of the limitation.

24 (g) Unless previously cancelled by a statement of
25 cancellation, a statement of authority expires as of the date,
26 if any, specified in the statement of authority.

1 (h) If the articles of organization state the authority or
2 limitations on the authority of any person on behalf of a
3 company, the authority stated or limited shall not bind any
4 person who is not a member or manager until that person
5 receives actual notice in a record from the company that agency
6 authority is stated or limited in the articles. If the
7 authority stated or limited in the articles of organization
8 conflicts with authority stated or limited in a statement of
9 authority filed with the Secretary of State under this Section
10 on behalf of the company, the statement of authority is the
11 effective statement and a person who is not a member or manager
12 may rely upon the terms of the filed statement of authority
13 notwithstanding conflicting terms in the articles of
14 organization.

15 (805 ILCS 180/13-20 new)

16 Sec. 13-20. Statement of denial. A person named in a filed
17 statement of authority granting that person authority may
18 deliver to the Secretary of State for filing a statement of
19 denial that:

20 (1) provides the name of the limited liability company
21 and the caption of the statement of authority to which the
22 statement of denial pertains; and

23 (2) denies the grant of authority.

24 An effective statement of denial operates as a restrictive
25 amendment under subsection (b) of Section 13-15 and, if a

1 certified copy thereof is recorded in the office for recording
2 transfers of real property in which a prior statement of
3 authority has been recorded as provided in subsection (e) of
4 Section 13-15, the statement of denial shall be deemed a
5 limitation on the statement of authority for purposes of
6 subsection (f) of Section 13-15.

7 (805 ILCS 180/15-1)

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

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

11 (1) expressly provides that:

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

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

14 or,

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

16 in managers; or

17 (2) includes words of similar import.

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

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

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

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

25 (1) each manager has equal rights in the management and

1 conduct of the company's business;

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

7 (3) a manager:

8 (A) must be designated, appointed, elected,
9 removed, or replaced by a vote, approval, or consent of
10 a majority of the members; and

11 (B) holds office until a successor has been elected
12 and qualified, unless the manager sooner resigns or is
13 removed.

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

17 (1) the amendment of the operating agreement under
18 Section 15-5;

19 (2) an amendment to the articles of organization under
20 Article 5;

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

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

26 (5) the ~~making of interim distributions under~~

1 ~~subsection (a) of Section 25-1, including the~~ redemption of
2 an interest;

3 (6) the admission of a new member;

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

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

8 ~~(9) a waiver of the right to have the company's~~
9 ~~business wound up and the company terminated under Section~~
10 ~~35-3;~~

11 (9) ~~(10)~~ the consent of members to convert, merge with
12 another entity entity or domesticate under Article 37 ~~under~~
13 ~~Section 37-20~~; and

14 (10) ~~(11)~~ the sale, lease, exchange, or other disposal
15 of all, or substantially all, of the company's property
16 with or without goodwill.

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

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

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

24 (805 ILCS 180/15-3)

25 Sec. 15-3. General standards of member and manager's

1 conduct.

2 (a) The fiduciary duties a member owes to a member-managed
3 company and its other members include the duty of loyalty and
4 the duty of care referred to in subsections (b) and (c) of this
5 Section.

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

8 (1) to account to the company and to hold as trustee
9 for it any property, profit, or benefit derived by the
10 member in the conduct or winding up of the company's
11 business or derived from a use by the member of the
12 company's property, including the appropriation of a
13 company's opportunity;

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

18 (3) to refrain from competing with the company in the
19 conduct of the company's business before the dissolution of
20 the company.

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

26 (d) A member shall discharge his or her duties to a

1 member-managed company and its other members under this Act or
2 under the operating agreement and exercise any rights
3 consistent with the obligation of good faith and fair dealing.

4 (e) A member of a member-managed company does not violate a
5 duty or obligation under this Act or under the operating
6 agreement merely because the member's conduct furthers the
7 member's own interest.

8 (f) This Section applies to a person winding up the limited
9 liability company's business as the personal or legal
10 representative of the last surviving member as if the person
11 were a member.

12 (g) In a manager-managed company:

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

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

19 (3) a member who exercises some or all of the authority
20 of a manager and conduct of the company's business is held
21 to the standards of conduct in subsections (b), (c), (d),
22 and (e) of this Section ~~to the extent that the member~~
23 ~~exercises the managerial authority vested in a manager by~~
24 ~~this Act;~~ and

25 (4) a manager is relieved of liability imposed by law
26 for violations of the standards prescribed by subsections

1 (b), (c), (d), and (e) to the extent of the managerial
2 authority delegated to the members by the operating
3 agreement.

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

5 (805 ILCS 180/15-5)

6 Sec. 15-5. Operating agreement.

7 (a) All members of a limited liability company may enter
8 into an operating agreement to regulate the affairs of the
9 company and the conduct of its business and to govern relations
10 among the members, managers, and company. The operating
11 agreement may establish that a limited liability company is a
12 manager-managed limited liability company and the rights and
13 duties under this Act of a person in the capacity of a manager.

14 To the extent the operating agreement does not otherwise
15 provide, this Act governs relations among the members,
16 managers, and company. Except as provided in subsections
17 ~~subsection~~ (b), (c), (d), and (e) of this Section, an operating
18 agreement may modify any provision or provisions of this Act
19 governing relations among the members, managers, and company.

20 (b) The operating agreement may not:

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

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

25 (3) vary the requirement to wind up the limited

1 liability company's business in a case specified in
2 subdivision ~~subdivisions (3) or (4), (5), or (6) of~~
3 subsection (a) of Section 35-1;

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

7 (5) restrict the power of a member to dissociate under
8 Section 35-50, although an operating agreement may
9 determine whether a dissociation is wrongful under Section
10 35-50, ~~and it may eliminate or vary the obligation of the~~
11 ~~limited liability company to purchase the dissociated~~
12 ~~member's distributional interest under Section 35-60;~~

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

15 ~~(A) identify specific types or categories of~~
16 ~~activities that do not violate these duties, if not~~
17 ~~manifestly unreasonable; and~~

18 ~~(B) specify the number or percentage of members or~~
19 ~~disinterested managers that may authorize or ratify,~~
20 ~~after full disclosure of all material facts, a~~
21 ~~specific act or transaction that otherwise would~~
22 ~~violate these duties;~~

23 (6.5) eliminate or reduce the obligations or purposes a
24 low-profit limited liability company undertakes when
25 organized under Section 1-26; ~~or~~

26 (7) eliminate or reduce the obligation of good faith

1 and fair dealing under subsection (d) of Section 15-3, but
2 the operating agreement may determine the standards by
3 which the performance of the member's duties or the
4 exercise of the member's rights ~~obligation~~ is to be
5 measured; ~~, if the standards are not manifestly~~
6 ~~unreasonable.~~

7 (8) eliminate, vary, or restrict the priority of a
8 statement of authority over provisions in the articles of
9 organization as provided in subsection (h) Section 13-15;

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

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

12 (11) restrict the right to approve a merger,
13 conversion, or domestication under Article 37 of a member
14 that will have personal liability with respect to a
15 surviving, converted, or domesticated organization.

16 (c) The operating agreement may:

17 (1) restrict or eliminate a fiduciary duty, other than
18 the duty of care described in subsection (c) of Section
19 15-3, but only to the extent the restriction or elimination
20 in the operating agreement is clear and unambiguous;

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

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

25 (d) The operating agreement may specify the method by which
26 a specific act or transaction that would otherwise violate the

1 duty of loyalty may be authorized or ratified by one or more
2 disinterested and independent persons after full disclosure of
3 all material facts.

4 (e) The operating agreement may alter or eliminate the
5 right to payment or reimbursement for a member or manager
6 provided by Section 15-7 and may eliminate or limit a member or
7 manager's liability to the limited liability company and
8 members for money damages, except for:

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

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

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

16 (4) intentional infliction of harm on the company or a
17 member; or

18 (5) an intentional violation of criminal law.

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

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

24 (h) An operating agreement may be entered into before,
25 after, or at the time of filing of articles of organization
26 and, whether entered into before, after, or at the time of the

1 filing, may be made effective as of the time of formation of
2 the limited liability company or as of the time or date
3 provided in the operating agreement.

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

6 ~~(1) Any writing, without regard to whether the writing~~
7 ~~otherwise constitutes an agreement, as to the company's~~
8 ~~affairs signed by the sole member.~~

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

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

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

16 (805 ILCS 180/15-7)

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

19 (a) A limited liability company shall reimburse a member or
20 manager for payments made and indemnify a member or manager for
21 debts, obligations, or other liabilities incurred by the member
22 or manager in the ~~ordinary~~ course of the member's or manager's
23 activities on behalf of the company, if, in making the payment
24 or incurring the debt, obligation, or other liability, the
25 member or manager complied with the duties stated in Sections

1 ~~15-3 and 25-35 business of the company or for the preservation~~
2 ~~of its business or property.~~

3 (b) A limited liability company shall reimburse a member
4 for an advance to the company beyond the amount of contribution
5 the member agreed to make.

6 (c) A payment or advance made by a member that gives rise
7 to an obligation of a limited liability company under
8 subsection (a) or (b) of this Section constitutes a loan to the
9 company upon which interest accrues from the date of the
10 payment or advance.

11 (d) A member is not entitled to remuneration for services
12 performed for a limited liability company, except for
13 reasonable compensation for services rendered in winding up the
14 business of the company.

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

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

23 (805 ILCS 180/20-1)

24 Sec. 20-1. Form of contribution. The contribution of a
25 member may be in cash, property, services rendered, or other

1 benefit, or a promissory note or other obligation to contribute
2 cash or property or to perform services.

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

4 (805 ILCS 180/20-5)

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

6 (a) (Blank).

7 (b) (Blank).

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

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

24 (e) Subject to Sections 1-43 and 15-5, the operating
25 agreement may provide that the interest of any member that

1 fails to make any contribution that the member is required to
2 make will be subject to specified remedies for, or specified
3 consequences of, the failure. The specified remedies or
4 consequences may include, without limitation:

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

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

8 (3) Liquidated damages.

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

11 (5) Subordinating the defaulting member's right to
12 receive distributions to that of the nondefaulting
13 members.

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

16 (7) Permitting one or more nondefaulting members to
17 lend the amount necessary to meet the defaulting member's
18 commitment.

19 (8) Adjusting the interest rates or other rates of
20 return, preferred, priority or otherwise, with respect to
21 contributions by or capital accounts of the nondefaulting
22 members.

23 (9) Fixing the value of the defaulting member's
24 interest by appraisal or formula and the redemption or sale
25 of the defaulting member's interest at that value.

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

1 (805 ILCS 180/25-35)

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

3 (a) Except as otherwise provided in subsections (b) and
4 (c), if a ~~A~~ member of a member-managed company or a member or
5 manager of a manager-managed company consents ~~who votes for or~~
6 ~~assents~~ to a distribution made in violation of Section 25-30,
7 the articles of organization, or the operating agreement and in
8 consenting to the distribution fails to comply with Section
9 15-3, the member or manager is personally liable to the company
10 for the amount of the distribution that exceeds the amount that
11 could have been distributed without violating Section 25-30,
12 the articles of organization, or the operating agreement ~~if it~~
13 ~~is established that the member or manager did not perform the~~
14 ~~member or manager's duties in compliance with Section 15-3.~~

15 (b) To the extent the operating agreement of a limited
16 liability company expressly relieves a member of the authority
17 and responsibility to consent to distributions and imposes that
18 authority and responsibility on one or more other members, the
19 liability stated in subsection (a) applies to the other members
20 and not the member that the operating agreement relieves of
21 authority and responsibility.

22 (c) If the members of a member-managed company or the
23 members or managers of a manager-managed company consent to a
24 distribution that violates the articles of organization or the
25 operating agreement, but does not violate Section 25-30, by a

1 vote that would have been sufficient to amend the articles of
2 organization or operating agreement, as the case may be, the
3 liability stated in subsection (a) does not apply.

4 (d) ~~(b)~~ A person that receives a distribution and that
5 member of a manager managed company who knew the a distribution
6 was made in violation of Section 25-30, the articles of
7 organization, or the operating agreement is personally liable
8 to the company, but only to the extent that the distribution
9 received by the person member exceeded the amount that could
10 have been properly paid under Section 25-30.

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

13 (1) all ~~other~~ members or managers who consented ~~voted~~
14 ~~for or assented~~ to the distribution in violation of
15 subsection (a) of this Section and may compel contribution
16 from them; and

17 (2) all persons ~~members~~ who received a distribution in
18 violation of subsection (d) ~~(b)~~ of this Section and may
19 compel contribution from any person receiving such a
20 distribution ~~the member~~ in the amount received in violation
21 of subsection (d) ~~(b)~~ of this Section.

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

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

1 Article 30. Transfer Assignment of Distributional Membership
2 Interests

3 (805 ILCS 180/30-5)

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

5 (a) A transfer of a distributional interest in whole or in
6 part:

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

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

10 (b) A transfer of a distributional interest does not
11 entitle the transferee to become or to exercise any rights of a
12 member. A transfer entitles the transferee to receive, to the
13 extent transferred, only the distributions to which the
14 transferor would be entitled.

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

16 (805 ILCS 180/30-10)

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

18 (a) A transferee of a distributional interest may become a
19 member of a limited liability company if and to the extent that
20 the transferor gives the transferee the right in accordance
21 with authority described in the operating agreement or all
22 other members consent.

23 (b) A transferee who has become a member, to the extent
24 transferred, has the rights and powers, and is subject to the

1 restrictions and liabilities, of a member under the operating
2 agreement of a limited liability company and this Act. A
3 transferee who becomes a member also is liable for the
4 transferor member's obligations to make contributions under
5 Section 20-5 and for obligations under Section 25-35 to return
6 unlawful distributions, but the transferee is not obligated for
7 the transferor member's liabilities unknown to the transferee
8 at the time the transferee becomes a member.

9 (c) Whether or not a transferee of a distributional
10 interest becomes a member under subsection (a) of this Section,
11 the transferor is not released from liability to the limited
12 liability company under the operating agreement or this Act.

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

19 (e) A transferee who does not become a member is entitled
20 to:

21 (1) receive, in accordance with the transfer,
22 distributions to which the transferor would otherwise be
23 entitled;

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

26 (A) in accordance with the transfer, the net amount

1 otherwise distributable to the transferor; and

2 (B) a statement of account only from the date of
3 the latest statement of account agreed to by all the
4 members. ~~;~~ and

5 ~~(3) seek under subdivision (5) of Section 35.1 a~~
6 ~~judicial determination that it is equitable to dissolve and~~
7 ~~wind up the company's business.~~

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

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

11 (805 ILCS 180/30-20)

12 Sec. 30-20. Rights of creditor.

13 (a) On application by a judgment creditor of a member or
14 transferee, a court may enter a charging order against the
15 distributional interest of the judgment debtor for the
16 unsatisfied amount of the judgment. A charging order
17 constitutes a lien on a judgment debtor's distributional
18 interest and requires the limited liability company to pay over
19 to the person to which the charging order was issued any
20 distribution that would otherwise be paid to the judgment
21 debtor. A charging order grants no other rights with respect to
22 the assets or affairs of the company. ~~On application by a~~
23 ~~judgment creditor of a member of a limited liability company or~~
24 ~~of a member's transferee, a court having jurisdiction may~~
25 ~~charge the distributional interest of the judgment debtor to~~

1 ~~satisfy the judgment. The court may appoint a receiver of the~~
2 ~~share of the distributions due or to become due to the judgment~~
3 ~~debtor and make all other orders, directions, accounts, and~~
4 ~~inquiries the judgment debtor might have made or which the~~
5 ~~circumstances may require to give effect to the charging order.~~

6 (b) To the extent necessary to effectuate the collection of
7 distributions pursuant to a charging order in effect under
8 subsection (a), the court may:

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

12 (2) make all other orders necessary to give effect to
13 the charging order. A charging order constitutes a lien on
14 the judgment debtor's distributional interest. The court
15 may order a foreclosure of a lien on a distributional
16 interest subject to the charging order at any time. A
17 purchaser at the foreclosure sale has the rights of a
18 transferee.

19 (c) At any time the court may foreclose the lien and order
20 the sale of the distributional interest. The purchaser at the
21 foreclosure sale obtains only the distributional interest,
22 does not thereby become a member, and is subject to Section
23 30-10. At any time before foreclosure, a distributional
24 interest in a limited liability company that is charged may be
25 redeemed:

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

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

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

5 (d) At any time before foreclosure under subsection (c),
6 the member or transferee whose distributional interest is
7 subject to a charging order under subsection (a) may extinguish
8 the charging order by satisfying the judgment and filing a
9 certified copy of the satisfaction with the court that issued
10 the charging order. This Act does not affect a member's right
11 under exemption laws with respect to the member's
12 distributional interest in a limited liability company.

13 (e) At any time before foreclosure under subsection (c), a
14 limited liability company or one or more members whose
15 distributional interests are not subject to the charging order
16 may satisfy the judgment and thereby succeed to the rights of
17 the judgment creditor, including the charging order. This
18 Section provides the exclusive remedy by which a judgment
19 creditor of a member or a transferee may satisfy a judgment out
20 of the judgment debtor's distributional interest in a limited
21 liability company.

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

25 (g) This Section provides the exclusive remedy by which a
26 person seeking to enforce a judgment against a member or

1 transferee may, in the capacity of judgment creditor, satisfy
2 the judgment from the judgment debtor's distributional
3 interest. If and to the extent that other law permits a
4 judgment creditor to obtain a lien against the distributional
5 interest or other rights of a member or transferee of a member,
6 the lien shall be treated as a charging order subject to all
7 the provisions of this Section.

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

9 (805 ILCS 180/30-25 new)

10 Sec. 30-25. Power of personal representative of deceased
11 member. If a member dies, the deceased member's personal
12 representative or other legal representative may exercise the
13 rights of a transferee provided in subsection (e) of Section
14 30-10 and, for the purposes of settling the estate, the rights
15 of a current member under Section 10-15.

16 (805 ILCS 180/35-1)

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

19 (a) A limited liability company is dissolved, and, unless
20 continued pursuant to subsection (b) of Section 35-3, its
21 business must be wound up, upon the occurrence of any of the
22 following events:

23 (1) An event or circumstance that causes the
24 dissolution of a company by the express terms of specified

1 ~~in~~ the operating agreement.

2 (2) The consent of all members ~~Consent of the number or~~
3 ~~percentage of members specified in the operating~~
4 ~~agreement.~~

5 (3) The passage of 180 consecutive days during which
6 the company has no members ~~An event that makes it unlawful~~
7 ~~for all or substantially all of the business of the company~~
8 ~~to be continued, but any cure of illegality within 90 days~~
9 ~~after notice to the company of the event is effective~~
10 ~~retroactively to the date of the event for purposes of this~~
11 ~~Section.~~

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

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

16 (B) the another member has engaged in conduct of
17 all or substantially all of ~~relating to~~ the company's
18 activities is unlawful ~~business that makes it not~~
19 ~~reasonably practicable to carry on the company's~~
20 ~~business with that member;~~

21 (C) it is not otherwise reasonably practicable to
22 carry on the company's business in conformity with the
23 articles of organization and the operating agreement. ~~†~~

24 (5) On application by a member or transferee of a (D)
25 ~~the company failed to purchase the petitioner's~~
26 distributional interest, upon entry of a judicial decree

1 ~~that as required by Section 35-60, or (E)~~ the managers or
2 those members in control of the company:

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

6 (B) have acted or are acting in a manner that is
7 oppressive and was, is, or will be directly harmful to
8 the applicant.

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

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

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

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

18 (805 ILCS 180/35-3)

19 Sec. 35-3. Limited liability company continues after
20 dissolution.

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

24 (b) At any time after the dissolution of a limited
25 liability company and before the winding up of its business is

1 completed, the members, including a dissociated member whose
2 dissociation caused the dissolution, may unanimously waive the
3 right to have the company's business wound up and the company
4 terminated. In that case ~~Any such waiver shall take effect~~
5 ~~upon:~~

6 ~~(1) (blank);~~

7 ~~(2) (blank);~~

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

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

14 ~~(5) the filing of articles of revocation of dissolution~~
15 ~~setting forth:~~

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

18 ~~(B) if the name is not available for use as~~
19 ~~determined by the Secretary of State at the time of~~
20 ~~filing the articles of revocation of dissolution, the~~
21 ~~name of the limited liability company as changed,~~
22 ~~provided that any change of name is properly effected~~
23 ~~under Section 1-10 and Section 5-25 of this Act;~~

24 ~~(C) the effective date of the dissolution that was~~
25 ~~revoked;~~

26 ~~(D) the date that the revocation of dissolution was~~

1 ~~authorized;~~

2 ~~(E) a statement that the members have unanimously~~
3 ~~waived the right to have the company's business wound~~
4 ~~up and the company terminated; and~~

5 ~~(F) the address, including street and number or~~
6 ~~rural route number, of the registered office of the~~
7 ~~limited liability company upon revocation of~~
8 ~~dissolution and the name of its registered agent at~~
9 ~~that address upon the revocation of dissolution of the~~
10 ~~limited liability company, provided that any change~~
11 ~~from either the registered office or the registered~~
12 ~~agent at the time of dissolution is properly reported~~
13 ~~under Section 1-35 of this Act.~~

14 ~~Upon compliance with the provisions of this subsection, the~~
15 ~~Secretary of State shall file the articles of revocation of~~
16 ~~dissolution. Upon filing of the articles of revocation of~~
17 ~~dissolution:~~

18 (1) ~~(i)~~ the limited liability company resumes carrying
19 on its business as if dissolution had never occurred, and
20 any liability incurred by the ~~limited liability~~ company or
21 a member after the dissolution and before the waiver is
22 determined as if the dissolution had never occurred; and

23 (2) ~~(ii)~~ the rights of a third party accruing under
24 subsection (a) of Section 35-7 or arising out of conduct in
25 reliance on the dissolution before the third party knew or
26 received a notification of the waiver are not adversely

1 affected.

2 (c) If there are no members, the legal representative of
3 the last remaining member may, within one year after the
4 occurrence of the event that caused the dissociation of the
5 last remaining member, agree in writing to continue the limited
6 liability company. In that event, the legal representative or
7 its nominee or designee will be admitted to the company as a
8 member and the company will not be dissolved or its business
9 wound up until the occurrence of a future event of dissolution,
10 if any.

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

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

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

1 ~~provided that the articles of organization or the operating~~
2 ~~agreement may provide that the personal representative of~~
3 ~~the last remaining member shall be obligated to agree in~~
4 ~~writing to continue the limited liability company and to~~
5 ~~the admission of the personal representative of that member~~
6 ~~or its nominee or designee to the limited liability company~~
7 ~~as a member, effective as of the occurrence of the event~~
8 ~~that caused the dissociation of the last remaining member;~~
9 ~~or~~

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

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

23 (805 ILCS 180/35-4)

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

1 (a) After dissolution, a member who has not wrongfully
2 dissociated may participate in winding up a limited liability
3 company's business, ~~but on application of any member, member's~~
4 ~~legal representative, or transferee, the Circuit Court, for~~
5 ~~good cause shown, may order judicial supervision of the winding~~
6 ~~up.~~

7 (b) If a dissolved limited liability company has no
8 members, the A legal representative of the last person to have
9 been a surviving member may wind up the a limited liability
10 company's business of the company. If the person does so, the
11 person has the powers of a sole manager under subsection (b) of
12 Section 15-1 and is deemed to be a manager for the purposes of
13 subsection (a) of Section 10-10.

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

1 (d) If the legal representative under subsection (b)
2 declines or fails to wind up the company's business, a person
3 may be appointed to do so by the consent of transferees owning
4 a majority of the rights to receive distributions as
5 transferees at the time the consent is to be effective. A
6 person appointed under this subsection:

7 (1) has the powers of a sole manager under subsection
8 (b) of Section 15-1 and is deemed to be a manager for the
9 purposes of subsection (a) of Section 10-10; and

10 (2) shall promptly deliver to the Secretary of State
11 for filing an amendment to the company's articles of
12 organization to:

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

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

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

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

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

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

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

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

1 (C) within a reasonable time following the
2 dissolution a person has not been appointed pursuant to
3 subsection (d); or
4 (3) in connection with a proceeding under subdivision
5 (4) of subsection (a) of Section 35-1.

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 for any damage caused to the
21 company arising from the liability.

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

23 (805 ILCS 180/35-15)

24 Sec. 35-15. Statement ~~Articles~~ of termination ~~dissolution~~.

1 When a ~~all debts, liabilities, and obligations of the~~ limited
2 liability company has been wound up, a statement of termination
3 ~~have been paid and discharged or adequate provision has been~~
4 ~~made therefor and all of the remaining property and assets of~~
5 ~~the limited liability company have been distributed to the~~
6 ~~members, articles of dissolution~~ shall be executed in duplicate
7 in the manner prescribed in Section 5-45 and shall set forth
8 all of the following:

9 (1) The name of the limited liability company; and ~~and~~

10 (2) A statement that the limited liability company has
11 been terminated. ~~That all debts, obligations, and~~
12 ~~liabilities of the limited liability company have been paid~~
13 ~~and discharged or that adequate provision has been made~~
14 ~~therefor.~~

15 ~~(3) That all the remaining property and assets of the~~
16 ~~limited liability company have been distributed among its~~
17 ~~members in accordance with their respective rights and~~
18 ~~interests.~~

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

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

24 (805 ILCS 180/35-20)

25 Sec. 35-20. Filing of statement ~~articles~~ of termination

1 ~~dissolution.~~

2 (a) Duplicate originals of the statement ~~articles~~ of
3 termination ~~dissolution~~ shall be delivered to the Secretary of
4 State. If the Secretary of State finds that the statement
5 ~~articles~~ of termination conforms ~~dissolution conform~~ to law, he
6 or she shall, when all required fees have been paid:

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

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

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

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

1 (805 ILCS 180/35-37 new)

2 Sec. 35-37. Administrative dissolution; limited liability
3 company name. The Secretary of State shall not allow another
4 limited liability company or corporation to use the name of a
5 domestic limited liability company that has been
6 administratively dissolved until 3 years have elapsed
7 following the date of issuance of the notice of dissolution. If
8 the domestic limited liability company that has been
9 administratively dissolved is reinstated within 3 years after
10 the date of issuance of the notice of dissolution, the domestic
11 limited liability company shall continue under its previous
12 name unless the limited liability company changes its name upon
13 reinstatement.

14 (805 ILCS 180/35-45)

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

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

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

23 (3) Upon transfer of all of a member's distributional
24 interest, other than a transfer for security purposes or a
25 court order charging the member's distributional interest that

1 has not been foreclosed.

2 (4) The member's expulsion pursuant to the operating
3 agreement.

4 (5) The member's expulsion by unanimous vote of the other
5 members if:

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

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

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

21 (D) a partnership or a limited liability company that
22 is a member has been dissolved and its business is being
23 wound up.

24 (6) On application by the company or another member, the
25 member's expulsion by judicial determination because the
26 member:

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

3 (B) willfully or persistently committed a material
4 breach of the operating agreement or of a duty owed to the
5 company or the other members under Section 15-3; or

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

9 (7) The member's:

10 (A) becoming a debtor in bankruptcy;

11 (B) executing an assignment for the benefit of
12 creditors;

13 (C) seeking, consenting to, or acquiescing in the
14 appointment of a trustee, receiver, or liquidator of the
15 member or of all or substantially all of the member's
16 property; or

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

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

25 (A) the member's death;

26 (B) the appointment of a guardian or general

1 conservator for the member; or

2 (C) a judicial determination that the member has
3 otherwise become incapable of performing the member's
4 duties under the operating agreement.

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

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

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

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

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

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

23 (13) The company participates in a conversion under Article
24 37.

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

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

2 (805 ILCS 180/35-55)

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

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

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

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

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

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

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

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

6 (805 ILCS 180/Art. 37 heading)

7 Article 37. Conversions, domestications, mergers, and series
8 (Source: P.A. 97-839, eff. 7-20-12.)

9 (805 ILCS 180/37-5)

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

11 "Constituent limited liability company" means a
12 constituent organization that is a limited liability company.

13 "Constituent organization" means an organization that is
14 party to a merger.

15 "Converted organization" means the organization into which
16 a converting organization converts pursuant to Sections 37-10
17 through 37-17.

18 "Converting limited liability company" means a converting
19 organization that is a limited liability company.

20 "Converting organization" means an organization that
21 converts into another organization pursuant to Sections 37-10
22 through 37-17.

23 "Domesticated company" means the company that exists after
24 a domesticating foreign limited liability company or limited

1 liability company effects a domestication pursuant to Sections
2 37-31 through 37-34.

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

5 "Governing statute" means the statute that governs an
6 organization's internal affairs.

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

14 "Organizational document" means:

15 (1) for a domestic or foreign general partnership, its
16 partnership agreement;

17 (2) for a limited partnership or foreign limited
18 partnership, its certificate of limited partnership and
19 partnership agreement;

20 (3) for a domestic or foreign limited liability
21 company, its certificate or articles of organization and
22 operating agreement, or comparable records as provided in
23 its governing statute;

24 (4) for a business trust, its agreement of trust and
25 declaration of trust;

26 (5) for a domestic or foreign corporation for profit,

1 its articles of incorporation, bylaws, and any agreements
2 among its shareholders which are authorized by its
3 governing statute, or comparable records as provided in its
4 governing statute; and

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

9 "Personal liability" means liability for a debt,
10 obligation, or other liability of an organization which is
11 imposed on a person that co-owns, has an interest in, or is a
12 member of the organization:

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

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

23 "Surviving organization" means an organization into which
24 one or more other organizations are merged whether the
25 organization preexisted the merger or was created by the
26 merger.

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

4 ~~"General partner" means a partner in a partnership and a~~
5 ~~general partner in a limited partnership.~~

6 ~~"Limited partner" means a limited partner in a limited~~
7 ~~partnership.~~

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

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

12 ~~"Partnership" means a general partnership under the~~
13 ~~Uniform Partnership Act (1997), a predecessor law, or~~
14 ~~comparable law of another jurisdiction.~~

15 ~~"Partnership agreement" means an agreement among the~~
16 ~~partners concerning the partnership or limited partnership.~~

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

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

19 (805 ILCS 180/37-10)

20 Sec. 37-10. ~~Conversion of partnership or limited~~
21 ~~partnership to limited liability company.~~

22 (a) An organization other than a limited liability company
23 or a foreign limited liability company may convert to a limited
24 liability company, and a limited liability company may convert
25 to an organization other than a foreign limited liability

1 company pursuant to this Section, Sections 37-15 through 37-17,
2 and a plan of conversion, if:

3 (1) the other organization's governing statute
4 authorizes the conversion;

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

8 (3) the other organization complies with its governing
9 statute in effecting the conversion.

10 (b) A plan of conversion must be in a record and must
11 include:

12 (1) the name and form of the organization before
13 conversion;

14 (2) the name and form of the organization after
15 conversion;

16 (3) the terms and conditions of the conversion,
17 including the manner and basis for converting interests in
18 the converting organization into any combination of money,
19 interests in the converted organization, and other
20 consideration; and

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

23 ~~A partnership or limited partnership may be converted to a~~
24 ~~limited liability company pursuant to this Section if~~
25 ~~conversion to a limited liability company is permitted~~
26 ~~under the law governing the partnership or limited~~

1 ~~partnership.~~

2 ~~(b) The terms and conditions of a conversion of a~~
3 ~~partnership or limited partnership to a limited liability~~
4 ~~company must be approved by all of the partners or by a number~~
5 ~~or percentage of the partners required for conversion in the~~
6 ~~partnership agreement.~~

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

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

19 ~~(1) A statement that the partnership or limited~~
20 ~~partnership was converted to a limited liability company~~
21 ~~from a partnership or limited partnership, as the case may~~
22 ~~be.~~

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

24 ~~(3) A statement of the number of votes cast by the~~
25 ~~partners entitled to vote for and against the conversion~~
26 ~~and, if the vote is less than unanimous, the number or~~

1 ~~percentage required to approve the conversion under~~
2 ~~subsection (b) of this Section.~~

3 ~~(4) In the case of a limited partnership, a statement~~
4 ~~that the certificate of limited partnership shall be~~
5 ~~canceled as of the date the conversion took effect.~~

6 ~~(c) In the case of a limited partnership, the filing of~~
7 ~~articles of organization under subsection (d) of this Section~~
8 ~~cancels its certificate of limited partnership as of the date~~
9 ~~the conversion took effect.~~

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

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

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

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

1 (805 ILCS 180/37-15)

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

3 (a) An organization ~~A partnership or limited partnership~~
4 that has been converted pursuant to Sections 37-10 through
5 37-17 ~~under this Article~~ is for all purposes the same entity
6 that existed before the conversion.

7 (b) When a conversion takes effect:

8 (1) all property owned by the converting organization
9 remains vested in the converted organization ~~partnership~~
10 ~~or limited partnership vests in the limited liability~~
11 ~~company;~~

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

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

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

1 (5) except as otherwise provided in the plan of
2 conversion, the terms and conditions of the plan of
3 conversion take effect; and

4 (6) except as otherwise agreed, the conversion does not
5 dissolve a converting limited liability company for the
6 purposes of Article 35.

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

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

24 (805 ILCS 180/37-16 new)

25 Sec. 37-16. Action on plan of conversion by converting

1 limited liability company.

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

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

9 (1) as provided in the plan; or

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

12 (805 ILCS 180/37-17 new)

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

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

16 (1) a converting limited liability company shall
17 deliver to the Secretary of State for filing articles of
18 conversion, which must be executed as provided in Section
19 5-45 and must include:

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

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

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

1 (D) a statement that the conversion was approved as
2 required by this Act;

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

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

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

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

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

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

24 (b) A conversion becomes effective:

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

1 effect; and

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

5 (805 ILCS 180/37-20)

6 Sec. 37-20. Merger of entities.

7 (a) ~~A Pursuant to a plan of merger approved under~~
8 ~~subsection (c) of this Section, a limited liability company may~~
9 merge ~~be merged~~ with one or more other constituent
10 organizations pursuant to this Section, Sections 37-21 through
11 37-30, and a plan of merger, if:

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

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

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

1 (b) A plan of merger must be in a record and must include
2 ~~set forth all of the following:~~

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

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

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

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

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

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

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

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

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

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

11 ~~(3) in the case of a partnership or domestic limited~~
12 ~~partnership that is a party to the merger, by the vote~~
13 ~~required for approval of a conversion under Section~~
14 ~~37-5(b); and~~

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

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

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

1 ~~subsequent to the filing of the plan of merger under Section~~
2 ~~37-25.~~

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

4 (805 ILCS 180/37-21 new)

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

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

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

15 (1) as provided in the plan; or

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

18 (805 ILCS 180/37-25)

19 Sec. 37-25. Articles of merger.

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

24 (1) each constituent limited liability company as

1 provided in Section 5-45; and

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

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

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

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

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

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

26 (3) the ~~(5) The~~ effective date ~~of the merger~~ is

1 effective under the governing statute of the surviving
2 organization;

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

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

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

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

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

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

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

25 (c) Each constituent limited liability company shall
26 deliver the articles of merger for filing to the Secretary of

1 State.

2 (d) A merger becomes effective:

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

5 (A) compliance with subsection (c); or

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

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

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

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

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

1 ~~of the right of members of any limited liability company to~~
2 ~~receive payment for their interest against the surviving~~
3 ~~entity.~~

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

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

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

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

18 (805 ILCS 180/37-30)

19 Sec. 37-30. Effect of merger.

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

21 (1) the surviving organization continues or comes into
22 existence;

23 (2) each constituent organization that merges into the
24 surviving organization ceases to exist as a separate
25 entity;

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

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

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

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

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

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

21 (9) if the surviving organization is created by the
22 merger:

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

25 (B) if it is an organization other than a limited
26 liability company, the organizational document that

1 creates the organization becomes effective; and

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

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

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

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

25 ~~(3) all debts, liabilities, and other obligations of~~
26 ~~each limited liability company and other entity that is~~

1 ~~party to the merger become the obligations of the surviving~~
2 ~~entity;~~

3 ~~(4) an action or proceeding pending by or against a~~
4 ~~limited liability company or other party to a merger may be~~
5 ~~continued as if the merger had not occurred or the~~
6 ~~surviving entity may be substituted as a party to the~~
7 ~~action or proceeding; and~~

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

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

20 ~~(1) the date the company receives the process, notice,~~
21 ~~or demand;~~

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

24 ~~(3) 5 days after its deposit in the mail, if mailed~~
25 ~~postpaid and correctly addressed.~~

26 ~~(c) Service under subsection (b) of this Section shall be~~

1 ~~made by the person instituting the action by doing all of the~~
2 ~~following:~~

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

9 ~~(2) Transmitting notice of the service on the Secretary~~
10 ~~of State and a copy of the process, notice, or demand and~~
11 ~~accompanying papers to the surviving entity being served,~~
12 ~~by registered or certified mail at the address set forth in~~
13 ~~the articles of merger.~~

14 ~~(3) Attaching an affidavit of compliance with this~~
15 ~~Section, in substantially the form that the Secretary of~~
16 ~~State may by rule prescribe, to the process, notice, or~~
17 ~~demand.~~

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

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

25 ~~(f) Unless otherwise agreed, a merger of a limited~~
26 ~~liability company that is not the surviving entity in the~~

1 ~~merger does not require the limited liability company to wind~~
2 ~~up its business under this Act or pay its liabilities and~~
3 ~~distribute its assets under this Act.~~

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

5 (805 ILCS 180/37-31 new)

6 Sec. 37-31. Domestication.

7 (a) A foreign limited liability company may become a
8 limited liability company pursuant to this Section, Sections
9 37-32, 37-33, and 37-34, and a plan of domestication, if:

10 (1) the foreign limited liability company's governing
11 statute authorizes the domestication;

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

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

16 (b) A limited liability company may become a foreign
17 limited liability company pursuant to this Section, Sections
18 37-32, 37-33, and 37-34, and a plan of domestication, if:

19 (1) the foreign limited liability company's governing
20 statute authorizes the domestication;

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

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

25 (c) A plan of domestication must be in a record and must

1 include:

2 (1) the name of the domesticating company before
3 domestication and the jurisdiction of its governing
4 statute;

5 (2) the name of the domesticated company after
6 domestication and the jurisdiction of its governing
7 statute;

8 (3) the terms and conditions of the domestication,
9 including the manner and basis for converting interests in
10 the domesticating company into any combination of money,
11 interests in the domesticated company, and other
12 consideration; and

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

15 (805 ILCS 180/37-32 new)

16 Sec. 37-32. Action on plan of domestication by
17 domesticating limited liability company.

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

19 (1) by all the members, subject to Section 37-36, if
20 the domesticating company is a limited liability company;
21 and

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

25 (b) Subject to any contractual rights, after a

1 domestication is approved, and at any time before articles of
2 domestication are delivered to the Secretary of State for
3 filing under Section 37-33, a domesticating limited liability
4 company may amend the plan or abandon the domestication:

5 (1) as provided in the plan; or

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

8 (805 ILCS 180/37-33 new)

9 Sec. 37-33. Filings required for domestication; effective
10 date.

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

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

16 (2) the name of the domesticating company and the
17 jurisdiction of its governing statute;

18 (3) the name of the domesticated company and the
19 jurisdiction of its governing statute;

20 (4) the date the domestication is effective under the
21 governing statute of the domesticated company;

22 (5) if the domesticating company was a limited
23 liability company, a statement that the domestication was
24 approved as required by this Act;

25 (6) if the domesticating company was a foreign limited

1 liability company, a statement that the domestication was
2 approved as required by the governing statute of the other
3 jurisdiction;

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

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

11 (b) A domestication becomes effective:

12 (1) when the articles of organization take effect, if
13 the domesticated company is a limited liability company;
14 and

15 (2) according to the governing statute of the
16 domesticated company, if the domesticated organization is
17 a foreign limited liability company.

18 (805 ILCS 180/37-34 new)

19 Sec. 37-34. Effect of domestication.

20 (a) When a domestication takes effect:

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

23 (2) all property owned by the domesticating company
24 remains vested in the domesticated company;

25 (3) all debts, obligations, or other liabilities of the

1 domesticating company continue as debts, obligations, or
2 other liabilities of the domesticated company;

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

6 (5) except as prohibited by other law, all of the
7 rights, privileges, immunities, powers, and purposes of
8 the domesticating company remain vested in the
9 domesticated company;

10 (6) except as otherwise provided in the plan of
11 domestication, the terms and conditions of the plan of
12 domestication take effect; and

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

16 (b) A domesticated company that is a foreign limited
17 liability company consents to the jurisdiction of the courts of
18 this State to enforce any debt, obligation, or other liability
19 owed by the domesticating company, if, before the
20 domestication, the domesticating company was subject to suit in
21 this State on the debt, obligation, or other liability. A
22 domesticated company that is a foreign limited liability
23 company and not authorized to transact business in this State
24 appoints the Secretary of State as its agent for service of
25 process for purposes of enforcing a debt, obligation, or other
26 liability under this subsection. Service on the Secretary of

1 State under this subsection must be made in the same manner and
2 has the same consequences as in subsections (b) and (c) of
3 Section 1-50.

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

10 (1) the name of the company;

11 (2) a statement that the articles of organization are
12 being surrendered in connection with the domestication of
13 the company in a foreign jurisdiction;

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

16 (4) the jurisdiction of formation of the domesticated
17 foreign limited liability company.

18 (805 ILCS 180/37-36 new)

19 Sec. 37-36. Restrictions on approval of mergers and
20 conversions.

21 (a) If a member of a merging or converting limited
22 liability company will have personal liability with respect to
23 a surviving or converted organization, approval or amendment of
24 a plan of merger or conversion is ineffective without the
25 consent of the member, unless:

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

4 (2) the member has consented to the provision of the
5 operating agreement.

6 (b) A member does not give the consent required by
7 subsection (a) merely by consenting to a provision of the
8 operating agreement that permits the operating agreement to be
9 amended with the consent of fewer than all the members.

10 (805 ILCS 180/37-40)

11 Sec. 37-40. Series of members, managers or limited
12 liability company interests.

13 (a) An operating agreement may establish or provide for the
14 establishment of designated series of members, managers or
15 limited liability company interests having separate rights,
16 powers or duties with respect to specified property or
17 obligations of the limited liability company or profits and
18 losses associated with specified property or obligations, and
19 to the extent provided in the operating agreement, any such
20 series may have a separate business purpose or investment
21 objective.

22 (b) Notwithstanding anything to the contrary set forth in
23 this Section or under other applicable law, in the event that
24 an operating agreement creates one or more series, and if
25 separate and distinct records are maintained for any such

1 series and the assets associated with any such series are held
2 (directly or indirectly, including through a nominee or
3 otherwise) and accounted for separately from the other assets
4 of the limited liability company, or any other series thereof,
5 and if the operating agreement so provides, and notice of the
6 limitation on liabilities of a series as referenced in this
7 subsection is set forth in the articles of organization of the
8 limited liability company and if the limited liability company
9 has filed a certificate of designation for each series which is
10 to have limited liability under this Section, then the debts,
11 liabilities and obligation ~~obligations~~ incurred, contracted
12 for or otherwise existing with respect to a particular series
13 shall be enforceable against the assets of such series only,
14 and not against the assets of the limited liability company
15 generally or any other series thereof, and unless otherwise
16 provided in the operating agreement, none of the debts,
17 liabilities, obligations and expenses incurred, contracted for
18 or otherwise existing with respect to the limited liability
19 company generally or any other series thereof shall be
20 enforceable against the assets of such series. The fact that
21 the articles of organization contain the foregoing notice of
22 the limitation on liabilities of a series and a certificate of
23 designation for a series is on file in the Office of the
24 Secretary of State shall constitute notice of such limitation
25 on liabilities of a series. A series with limited liability
26 shall be treated as a separate entity to the extent set forth

1 in the articles of organization. Each series with limited
2 liability may, in its own name, contract, hold title to assets,
3 grant security interests, sue and be sued and otherwise conduct
4 business and exercise the powers of a limited liability company
5 under this Act. The limited liability company and any of its
6 series may elect to consolidate their operations as a single
7 taxpayer to the extent permitted under applicable law, elect to
8 work cooperatively, elect to contract jointly or elect to be
9 treated as a single business for purposes of qualification to
10 do business in this or any other state. Such elections shall
11 not affect the limitation of liability set forth in this
12 Section except to the extent that the series have specifically
13 accepted joint liability by contract.

14 (c) Except in the case of a foreign limited liability
15 company that has adopted an assumed name pursuant to Section
16 45-15, the name of the series with limited liability must
17 commence with the entire name of the limited liability company,
18 as set forth in its articles of incorporation, and be
19 distinguishable from the names of the other series set forth in
20 the articles of organization. In the case of a foreign limited
21 liability company that has adopted an assumed name pursuant to
22 Section 45-15, the name of the series with limited liability
23 must commence with the entire name, as set forth in the foreign
24 limited liability company's assumed name application, under
25 which the foreign limited liability company has been admitted
26 to transact business in this State.

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

1 subsection (m) of this Section. Certificates of designation may
2 be executed by the limited liability company or any manager,
3 person or entity designated in the operating agreement for the
4 limited liability company.

5 (e) A series of a limited liability company will be deemed
6 to be in good standing as long as the limited liability company
7 is in good standing.

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

11 (g) An operating agreement may provide for classes or
12 groups of members or managers associated with a series having
13 such relative rights, powers and duties as the operating
14 agreement may provide, and may make provision for the future
15 creation of additional classes or groups of members or managers
16 associated with the series having such relative rights, powers
17 and duties as may from time to time be established, including
18 rights, powers and duties senior to existing classes and groups
19 of members or managers associated with the series.

20 (h) A series may be managed by either the member or members
21 associated with the series or by a manager or managers chosen
22 by the members of such series, as provided in the operating
23 agreement. Unless otherwise provided in an operating
24 agreement, the management of a series shall be vested in the
25 members associated with such series.

26 (i) An operating agreement may grant to all or certain

1 identified members or managers or a specified class or group of
2 the members or managers associated with a series the right to
3 vote separately or with all or any class or group of the
4 members or managers associated with the series, on any matter.
5 An operating agreement may provide that any member or class or
6 group of members associated with a series shall have no voting
7 rights.

8 (j) Except to the extent modified in this Section, the
9 provisions of this Act which are generally applicable to
10 limited liability companies, their managers, members and
11 transferees shall be applicable to each particular series with
12 respect to the operation of such series.

13 (k) Except as otherwise provided in an operating agreement,
14 any event under this Act or in an operating agreement that
15 causes a manager to cease to be a manager with respect to a
16 series shall not, in itself, cause such manager to cease to be
17 a manager of the limited liability company or with respect to
18 any other series thereof.

19 (l) Except as otherwise provided in an operating agreement,
20 any event under this Act or an operating agreement that causes
21 a member to cease to be associated with a series shall not, in
22 itself, cause such member to cease to be associated with any
23 other series or terminate the continued membership of a member
24 in the limited liability company or cause the termination of
25 the series, regardless of whether such member was the last
26 remaining member associated with such series.

1 (m) Except to the extent otherwise provided in the
2 operating agreement, a series may be dissolved and its affairs
3 wound up without causing the dissolution of the limited
4 liability company. The dissolution of a series established in
5 accordance with subsection (b) of this Section shall not affect
6 the limitation on liabilities of such series provided by
7 subsection (b) of this Section. A series is terminated and its
8 affairs shall be wound up upon the dissolution of the limited
9 liability company under Article 35 of this Act.

10 (n) If a limited liability company with the ability to
11 establish series does not register to do business in a foreign
12 jurisdiction for itself and certain of its series, a series of
13 a limited liability company may itself register to do business
14 as a limited liability company in the foreign jurisdiction in
15 accordance with the laws of the foreign jurisdiction.

16 (o) If a foreign limited liability company, as permitted in
17 the jurisdiction of its organization, has established a series
18 having separate rights, powers or duties and has limited the
19 liabilities of such series so that the debts, liabilities and
20 obligations incurred, contracted for or otherwise existing
21 with respect to a particular series are enforceable against the
22 assets of such series only, and not against the assets of the
23 limited liability company generally or any other series
24 thereof, or so that the debts, liabilities, obligations and
25 expenses incurred, contracted for or otherwise existing with
26 respect to the limited liability company generally or any other

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

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

22 (805 ILCS 180/50-1)

23 Sec. 50-1. Annual reports.

24 (a) Each limited liability company organized under the laws
25 of this State and each foreign limited liability company

1 admitted to transact business in this State shall file, within
2 the time prescribed by this Act, an annual report setting forth
3 all of the following:

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

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

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

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

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

17 (6) The annual report shall be made on forms prescribed
18 and furnished by the Secretary of State, and the
19 information therein, required by paragraphs (1) through
20 (4) of subsection (a), both inclusive, shall be given as of
21 the date of execution of the annual report. The annual
22 report shall be executed by a manager or, if none, a member
23 designated by the members pursuant to limited liability
24 company action properly taken under Section 15-1.

25 (b) The annual report, together with all fees and charges
26 prescribed by this Act, shall be delivered to the Secretary of

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

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

19 (805 ILCS 180/50-10)

20 Sec. 50-10. Fees.

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

24 (1) Fees for filing documents.

25 (2) Miscellaneous charges.

1 (3) Fees for the sale of lists of filings and for
2 copies of any documents.

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

5 (1) Filing articles of organization (domestic),
6 application for admission (foreign), and restated articles
7 of organization (domestic), \$500. Notwithstanding the
8 foregoing, the fee for filing articles of organization
9 (domestic), application for admission (foreign), and
10 restated articles of organization (domestic) in connection
11 with a limited liability company with a ~~ability to~~
12 ~~establish~~ series pursuant to Section 37-40 of this Act is
13 \$750.

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

16 (3) Filing articles of dissolution or application for
17 withdrawal, \$25 ~~\$100~~.

18 (4) Filing an application to reserve a name, \$300.

19 (5) Renewal fee for ~~Filing a notice of cancellation of~~
20 a reserved name, \$100.

21 (6) Filing a notice of a transfer of a reserved name,
22 \$100.

23 (7) Registration of a name, \$300.

24 (8) Renewal of registration of a name, \$100.

25 (9) Filing an application for use of an assumed name
26 under Section 1-20 of this Act, \$150 for each year or part

1 thereof ending in 0 or 5, \$120 for each year or part
2 thereof ending in 1 or 6, \$90 for each year or part thereof
3 ending in 2 or 7, \$60 for each year or part thereof ending
4 in 3 or 8, \$30 for each year or part thereof ending in 4 or
5 9, and a renewal for each assumed name, \$150.

6 (10) Filing an application for change ~~or cancellation~~
7 of an assumed name, \$100.

8 (11) Filing an annual report of a limited liability
9 company or foreign limited liability company, \$250, if
10 filed as required by this Act, plus a penalty if
11 delinquent. Notwithstanding the foregoing, the fee for
12 filing an annual report of a limited liability company or
13 foreign limited liability company ~~with ability to~~
14 ~~establish series~~ is \$250 plus \$50 for each series for which
15 a certificate of designation has been filed pursuant to
16 Section 37-40 of this Act ~~and active on the last day of the~~
17 ~~third month preceding the company's anniversary month,~~
18 plus a penalty if delinquent.

19 (12) Filing an application for reinstatement of a
20 limited liability company or foreign limited liability
21 company \$500.

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

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

1 (15) Filing a statement of change of address of
2 registered office or change of registered agent, or both,
3 or filing a statement of correction, \$25.

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

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

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

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

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

13 (21) ~~(17)~~ Filing any other document, \$100.

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

17 (c) The Secretary of State shall charge and collect all of
18 the following:

19 (1) For furnishing a copy or certified copy of any
20 document, instrument, or paper relating to a limited
21 liability company or foreign limited liability company, or
22 for a certificate, \$25.

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

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

1 (805 ILCS 180/55-1)

2 Sec. 55-1. Construction and application.

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

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

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

11 (d) Unless the context otherwise requires, as used in this
12 Act, the singular shall include the plural and the plural shall
13 include the singular. The use of any gender shall be applicable
14 to all genders. The captions contained in this Act are for
15 purposes of convenience only and shall not control or affect
16 the construction of this Act.

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

18 (805 ILCS 180/55-3 new)

19 Sec. 55-3. Relation to Electronic Signatures in Global and
20 National Commerce Act. This Act modifies, limits, and
21 supersedes the federal Electronic Signatures in Global and
22 National Commerce Act, 15 U.S.C. Section 7001 et seq., but does
23 not modify, limit, or supersede Section 101(c) of that Act, 15
24 U.S.C. Section 7001(c), or authorize electronic delivery of any
25 of the notices described in Section 103(b) of that Act, 15

1 U.S.C. Section 7003(b).

2 (805 ILCS 180/30-1 rep.)

3 (805 ILCS 180/35-60 rep.)

4 (805 ILCS 180/35-65 rep.)

5 (805 ILCS 180/35-70 rep.)

6 Section 10. The Limited Liability Company Act is amended by
7 repealing Sections 30-1, 35-60, 35-65, and 35-70."