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**BUSINESS ORGANIZATIONS
(805 ILCS 180/) Limited Liability Company Act.**

(805 ILCS 180/Art. 1 heading)

Article 1. General Provisions

(805 ILCS 180/1-1)

Sec. 1-1. Short title. This Act may be cited as the Limited Liability Company Act.

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

(805 ILCS 180/1-5)

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

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

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

"Articles of organization" means the articles of organization filed by the Secretary of State for the purpose of forming a limited liability company as specified in Article 5.

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

"Bankruptcy" means bankruptcy under the Federal Bankruptcy Code of 1978, Title 11, Chapter 7 of the United States Code.

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

"Contribution" means any cash, property, or services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services, that a person contributes to the limited liability company in that person's capacity as a member.

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

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

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

"Distributional interest" means all of a member's interest in distributions by the limited liability company.

"Entity" means a person other than an individual.

"Federal employer identification number" means either (i) the federal employer

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

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

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

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

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

"Manager" means a person, whether or not a member of a manager-managed company, who is vested with authority under Section 13-5.

"Manager-managed company" means a limited liability company which is so designated in its articles of organization.

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

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

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

"Operating agreement" means the agreement under Section 15-5 concerning the relations among the members, managers, and limited liability company. The term "operating agreement" includes amendments to the agreement.

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

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

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

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

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

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

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

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

(805 ILCS 180/1-10)

Sec. 1-10. Limited liability company name.

(a) The name of each limited liability company as set forth in its articles of organization:

(1) shall contain the terms "limited liability company", "L.L.C.", or "LLC", or, if organized as a low-profit limited liability company under Section 1-26 of this Act, shall contain the term "L3C";

(2) may not contain a word or phrase, or an

abbreviation or derivation thereof, the use of which is prohibited or restricted by any other statute of this State unless the restriction has been complied with;

(3) shall consist of letters of the English alphabet, Arabic or Roman numerals, or symbols capable of being readily reproduced by the Office of the Secretary of State;

(4) shall not contain any of the following terms: "Corporation," "Corp.," "Incorporated," "Inc.," "Ltd.," "Co.," "Limited Partnership" or "L.P.";

(5) shall be the name under which the limited liability company transacts business in this State unless the limited liability company also elects to adopt an assumed name or names as provided in this Act; provided, however, that the limited liability company may use any divisional designation or trade name without complying with the requirements of this Act, provided the limited liability company also clearly discloses its name;

(6) shall not contain any word or phrase that indicates or implies that the limited liability company is authorized or empowered to be in the business of a corporate fiduciary unless otherwise permitted by the Commissioner of the Office of Banks and Real Estate under Section 1-9 of the Corporate Fiduciary Act. The word "trust", "trustee", or "fiduciary" may be used by a limited liability company only if it has first complied with Section 1-9 of the Corporate Fiduciary Act;

(7) shall contain the word "trust", if it is a limited liability company organized for the purpose of accepting and executing trusts; and

(8) shall not, as to any limited liability company organized or amending its company name on or after April 3, 2009 (the effective date of Public Act 96-7), without the express written consent of the United States Olympic Committee, contain the words: (i) "Olympic"; (ii) "Olympiad"; (iii) "Paralympic"; (iv) "Paralympiad"; (v) "Citius Altius Fortius"; (vi) "CHICOG"; or (vii) "Chicago 2016".

(b) Nothing in this Section or Section 1-20 shall abrogate or limit the common law or statutory law of unfair competition or unfair trade practices, nor derogate from the common law or principles of equity or the statutes of this State or of the United States of America with respect to the right to acquire and protect copyrights, trade names, trademarks, service marks, service names, or any other right to the exclusive use of names or symbols.

(c) (Blank).

(d) The name shall be distinguishable upon the records in the Office of the Secretary of State from all of the following:

(1) Any limited liability company that has articles of organization filed with the Secretary of State under Section 5-5.

(2) Any foreign limited liability company admitted to transact business in this State.

(3) Any name for which an exclusive right has been reserved in the Office of the Secretary of State under Section 1-15.

(4) Any assumed name that is registered with the Secretary of State under Section 1-20.

(5) Any corporate name or assumed corporate name of a domestic or foreign corporation subject to the provisions of Section 4.05 of the Business Corporation Act of 1983 or Section 104.05 of the General Not For Profit Corporation

Act of 1986.

(e) The provisions of subsection (d) of this Section shall not apply if the organizer files with the Secretary of State a certified copy of a final decree of a court of competent jurisdiction establishing the prior right of the applicant to the use of that name in this State.

(f) The Secretary of State shall determine whether a name is "distinguishable" from another name for the purposes of this Act. Without excluding other names that may not constitute distinguishable names in this State, a name is not considered distinguishable, for purposes of this Act, solely because it contains one or more of the following:

(1) The word "limited", "liability" or "company" or an abbreviation of one of those words.

(2) Articles, conjunctions, contractions, abbreviations, or different tenses or number of the same word.

(Source: P.A. 96-7, eff. 4-3-09; 96-126, eff. 1-1-10; 96-1000, eff. 7-2-10.)

(805 ILCS 180/1-15)

Sec. 1-15. Reservation of name.

(a) The exclusive right to the use of a name may be reserved by any of the following:

(1) A person intending to organize a limited liability company under this Act which will have that name.

(2) A limited liability company or any foreign limited liability company registered in this State that, in either case, intends to adopt that name.

(3) Any foreign limited liability company having that name and intending to make application for admission to transact business in this State.

(4) A person intending to organize a foreign limited liability company and intending to make application for admission to transact business in this State and adopt that name.

(b) To reserve a specified name, a person shall submit an application to the Secretary of State in the form and manner the Secretary shall designate. If the Secretary of State finds that the name is available for use by a limited liability company or foreign limited liability company, the Secretary of State shall reserve the name for the exclusive use of the applicant for a period of 90 days or until surrendered by a written cancellation document signed by the applicant, whichever is sooner. The right to the exclusive use of a reserved name may be transferred to any other person by delivering to the Office of the Secretary of State a notice of the transfer, executed by the person for whom the name was reserved and specifying the name and address of the transferee.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/1-20)

Sec. 1-20. Assumed name.

(a) A limited liability company or a foreign limited liability company admitted to transact business or making application for admission to transact business in Illinois may elect to adopt an assumed name that complies with the requirements of Section 1-10 of this Act except (a)(1).

(a-5) As used in this Act, "assumed name" means any name other than the true limited liability company name, except

that the following do not constitute the use of an assumed name under this Act:

(1) A limited liability company's identification of its business with a trademark or service mark of which the company is the owner or licensed user.

(2) The use of a name of a division, not containing the word "limited", "liability", or "company" or an abbreviation of one of those words, provided that the limited liability company also clearly discloses its true name.

(b) Before transacting any business in Illinois under an assumed limited liability company name or names, the limited liability company shall, for each assumed name, execute and file in duplicate an application setting forth all of the following:

(1) The true limited liability company name.

(2) The state or country under the laws of which it is organized.

(3) That it intends to transact business under an assumed limited liability company name.

(4) The assumed name that it proposes to use.

(c) The right to use an assumed name shall be effective from the date of filing by the Secretary of State until the first day of the anniversary month of the limited liability company that falls within the next calendar year evenly divisible by 5. However, if an application is filed within the 2 months immediately preceding the anniversary month of a limited liability company that falls within a calendar year evenly divisible by 5, the right to use the assumed name shall be effective until the first day of the anniversary month of the limited liability company that falls within the next succeeding calendar year evenly divisible by 5.

(d) A limited liability company shall renew the right to use its assumed name or names, if any, within the 60 days preceding the expiration of the right, for a period of 5 years, by making an election to do so at the time of filing its annual report form and by paying the renewal fee as prescribed by this Act.

(e) A limited liability company or foreign limited liability company may change or cancel any or all of its assumed names by executing and filing an application setting forth all of the following:

(1) The true limited liability company name.

(2) The state or country under the laws of which it is organized.

(3) That it intends to cease transacting business under an assumed name by changing or cancelling it.

(4) The assumed name to be changed or cancelled.

(5) If the assumed name is to be changed, the assumed name that the limited liability company proposes to use.

(f) Upon the filing of an application to change an assumed name, the limited liability company shall have the right to use the assumed name for the balance of the period authorized.

(g) The right to use an assumed name shall be cancelled by the Secretary of State if any of the following occurs:

(1) The limited liability company fails to renew an assumed name.

(2) The limited liability company has filed an application to change or cancel the assumed name.

(3) A limited liability company has been dissolved.

(4) A foreign limited liability company has had its admission to do business in Illinois revoked.

(h) Any limited liability company or foreign limited liability company failing to pay the prescribed fee for assumed name renewal when due and payable shall be given notice of nonpayment by the Secretary of State by regular mail. If the fee, together with a late fee of \$100, is not paid within 60 days after the notice is mailed, the right to use the assumed name shall cease. Any limited liability company or foreign limited liability company that (i) puts forth any sign or advertisement assuming any name other than that under which it is organized or otherwise authorized by law to act or (ii) violates Section 1-27 is guilty of a petty offense and shall be fined not less than \$501 and not more than \$1,000. A limited liability company or foreign limited liability company shall be deemed guilty of an additional offense for each day it shall continue to so offend. Each limited liability company or foreign limited liability company that fails or refuses (1) to answer truthfully and fully within the time prescribed by this Act interrogatories propounded by the Secretary of State in accordance with this Act or (2) to perform any other act required by this Act to be performed by the limited liability company or foreign limited liability company is guilty of a petty offense and shall be fined not less than \$501 and not more than \$1,000.

(i) A foreign limited liability company may not use an assumed or fictitious name in the conduct of its business to intentionally misrepresent the geographic origin or location of the company.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/1-25)

Sec. 1-25. Nature of business. A limited liability company may be formed for any lawful purpose or business except:

(1) (blank);

(2) insurance unless, for the purpose of carrying on

business as a member of a group including incorporated and individual unincorporated underwriters, the Director of Insurance finds that the group meets the requirements of subsection (3) of Section 86 of the Illinois Insurance Code and the limited liability company, if insolvent, is subject to liquidation by the Director of Insurance under Article XIII of the Illinois Insurance Code;

(3) the practice of dentistry unless all the members and managers are licensed as dentists under the Illinois Dental Practice Act; or

(4) the practice of medicine unless all the managers, if any, are licensed to practice medicine under the Medical Practice Act of 1987 and each member is either:

(A) licensed to practice medicine under the Medical Practice Act of 1987; or

(B) a registered medical corporation or corporations organized pursuant to the Medical Corporation Act; or

(C) a professional corporation organized pursuant to the Professional Service Corporation Act of physicians licensed to practice under the Medical Practice Act of 1987; or

(D) a limited liability company that satisfies the requirements of subparagraph (A), (B), or (C).

(Source: P.A. 95-331, eff. 8-21-07; 95-738, eff. 1-1-09.)

(805 ILCS 180/1-26)

Sec. 1-26. Low-profit limited liability company.

(a) A low-profit limited liability company shall at all times significantly further the accomplishment of one or more charitable or educational purposes within the meaning of Section 170(c)(2)(B) of the Internal Revenue Code of 1986, 26 U.S.C. 170(c)(2)(B), or its successor, and would not have been formed but for the relationship to the accomplishment of such charitable or educational purposes.

(b) A limited liability company which intends to qualify as a low-profit limited liability company pursuant to the provisions of this Section shall so indicate in its articles of organization, and further state that:

(1) no significant purpose of the company is the production of income or the appreciation of property; however, the fact that a person produces significant income or capital appreciation shall not, in the absence of other factors, be conclusive evidence of a significant purpose involving the production of income or the appreciation of property; and

(2) no purpose of the company is to accomplish one or more political or legislative purposes within the meaning of Section 170(c)(2)(D) of the Internal Revenue Code of 1986, 26 U.S.C. 170(c)(2)(D), or its successor.

(c) A company that no longer satisfies the requirements of this Section 1-26 continues to exist as a limited liability company and shall promptly amend its articles of organization so that its name and purpose no longer identify it as a low-profit limited liability company or L3C.

(d) Any company operating or holding itself out as a low-profit limited liability company in Illinois, any company formed as a low-profit limited liability company under this Act, and any chief operating officer, director, or manager of any such company is a "trustee" as defined in Section 3 of the Charitable Trust Act.

(e) Nothing in this Section 1-26 prevents a limited liability company that is not organized under it from electing a charitable or educational purpose in whole or in part for doing business under this Act.

(Source: P.A. 96-126, eff. 1-1-10; 96-1000, eff. 7-2-10.)

(805 ILCS 180/1-27)

Sec. 1-27. Locale misrepresentation.

(a) A person shall not advertise or cause to be listed in a telephone directory an assumed or fictitious business name that intentionally misrepresents where the business is actually located or operating or falsely states that the business is located or operating in the area covered by the telephone directory. This subsection (a) does not apply to a telephone service provider or to the publisher or distributor of a telephone service directory, unless the conduct prescribed in this subsection (a) is on behalf of that telephone service provider or that publisher or distributor.

(b) This Section does not apply to any foreign limited liability company that has gross annual revenues in excess of \$100,000,000.

(c) A foreign limited liability company that violates this Section is guilty of a petty offense and must be fined not less than \$501 and not more than \$1,000. A foreign limited liability company is guilty of an additional offense for each additional day in violation of this Section.

(Source: P.A. 91-906, eff. 1-1-01.)

(805 ILCS 180/1-28)

Sec. 1-28. Certificate of Registration; Department of Financial and Professional Regulation. This Section applies only to a limited liability company that intends to

provide, or does provide, professional services that require the individuals engaged in the profession to be licensed by the Department of Financial and Professional Regulation. A limited liability company covered by this Section shall not open, operate, or maintain an establishment for any of the purposes for which a limited liability company may be organized under this Act without obtaining a certificate of registration from the Department.

Application for such registration shall be made in writing and shall contain the name and address of the limited liability company and such other information as may be required by the Department. Upon receipt of such application, the Department shall make an investigation of the limited liability company. If the Department finds that the organizers, managers, and members are each licensed pursuant to the laws of Illinois to engage in the particular profession or related professions involved (except that an initial organizer may be a licensed attorney) and if no disciplinary action is pending before the Department against any of them and if it appears that the limited liability company will be conducted in compliance with the law and the rules and regulations of the Department, the Department shall issue, upon payment of a registration fee of \$50, a certificate of registration.

Upon written application of the holder, the Department shall renew the certificate if it finds that the limited liability company has complied with its regulations and the provisions of this Act and the applicable licensing Act. This fee for the renewal of a certificate of registration shall be calculated at the rate of \$40 per year. The certificate of registration shall be conspicuously posted upon the premises to which it is applicable, and the limited liability company shall have only those offices which are designated by street address in the articles of organization, or as changed by amendment of such articles. A certificate of registration shall not be assignable.

All fees collected under this Section shall be deposited into the General Professions Dedicated Fund.

(Source: P.A. 96-679, eff. 8-25-09; 96-984, eff. 1-1-11; 96-1000, eff. 7-2-10.)

(805 ILCS 180/1-30)

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

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

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

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

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

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

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

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

and suretyship.

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

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

(10) Elect managers and appoint agents of the limited liability company, define their duties, and fix their compensation.

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

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

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

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

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

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

(805 ILCS 180/1-35)

Sec. 1-35. Registered office and registered agent.

(a) Each limited liability company and foreign limited liability company shall continuously maintain in this State a registered agent and registered office, which agent must be an individual resident of this State or other person authorized to transact business in this State.

(b) A limited liability company or foreign limited liability company may change its registered agent or the address of its registered office pursuant to Section 1-36 and the registered agent of a limited liability company or a foreign limited liability company may change the address of its registered office pursuant to Section 1-37.

(c) The registered agent may at any time resign by filing in the Office of the Secretary of State written notice thereof and by mailing a copy thereof to the limited liability company or foreign limited liability company at its principal office as it is known to the resigning registered agent. The notice must be mailed at least 10 days before the date of filing thereof with the Secretary of State. The notice shall be executed by the registered agent, if an individual, or, if a business entity, in the manner authorized by the governing statute. The notice shall set forth all of the following:

- (1) The name of the limited liability company for which the registered agent is acting.
- (2) The name of the registered agent.
- (3) The address, including street, number, and city of the limited liability company's then registered office in this State.
- (4) That the registered agent resigns.
- (5) The effective date of the resignation, which shall not be sooner than 30 days after the date of filing.
- (6) The address of the principal office of the

limited liability company as it is known to the registered agent.

(7) A statement that a copy of the notice has been sent by registered or certified mail to the principal office of the limited liability company within the time and in the manner prescribed by this Section.

(d) A new registered agent must be placed on record within 60 days after a registered agent's notice of resignation under this Section.

(Source: P.A. 96-988, eff. 7-2-10.)

(805 ILCS 180/1-36)

Sec. 1-36. Change of registered office or registered agent.

(a) A domestic limited liability company or a foreign limited liability company may from time to time change the address of its registered office. A domestic limited liability company or a foreign limited liability company shall change its registered agent if the office of registered agent shall become vacant for any reason, or if its registered agent becomes disqualified or incapacitated to act.

(b) A domestic limited liability company or a foreign limited liability company may change the address of its registered office or change its registered agent, or both, by executing and filing, in duplicate, in accordance with Section 5-45 of this Act a statement setting forth:

(1) The name of the limited liability company.

(2) The address, including street and number, or rural route number, of its then registered office.

(3) If the address of its registered office be changed, the address, including street and number, or rural route number, to which the registered office is to be changed.

(4) The name of its then registered agent.

(5) If its registered agent be changed, the name of its successor registered agent.

(6) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

(7) That such change was authorized by the members or managers.

(c) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Secretary of State.

(Source: P.A. 96-988, eff. 7-2-10.)

(805 ILCS 180/1-37)

Sec. 1-37. Change of address of registered agent.

(a) A registered agent may change the address of the registered office of the domestic limited liability company or of the foreign limited liability company, for which he or she or it is a registered agent, to another address in this State, by filing, in duplicate, in accordance with Section 5-45 of this Act a statement setting forth:

(1) The name of the limited liability company.

(2) The address, including street and number, or rural route number, of its then registered office.

(3) The address, including street and number, or rural route number, to which the registered office is to be changed.

(4) The name of its registered agent.

(5) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

Such statement shall be executed by the registered agent.

(b) The change of address of the registered office shall become effective upon the filing of such statement by the Secretary of State.

(Source: P.A. 94-605, eff. 1-1-06.)

(805 ILCS 180/1-40)

Sec. 1-40. Records to be kept.

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

(1) A list of the full name and last known address

of each member setting forth the amount of cash each member has contributed, a description and statement of the agreed value of the other property or services each member has contributed or has agreed to contribute in the future, and the date on which each became a member.

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

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

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

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

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

(805 ILCS 180/1-43)

Sec. 1-43. Supplemental principles of law. Unless displaced by particular provisions of this Act, the principles of law and equity supplement this Act.

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

(805 ILCS 180/1-45)

Sec. 1-45. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/1-50)

Sec. 1-50. Service of process on limited liability company.

(a) Any process, notice, or demand required or permitted by law to be served upon either a limited liability company or foreign limited liability company shall be served either upon the registered agent appointed by the limited liability company or upon the Secretary of State as provided in this Section.

(b) The Secretary of State shall be irrevocably appointed as an agent of a limited liability company upon whom any process, notice, or demand may be served under any of the following circumstances:

(1) Whenever the limited liability company shall fail to appoint or maintain a registered agent in this State.

(2) Whenever the limited liability company's registered agent cannot, by registered or certified mail, be found at the registered office in this State or at the principal place of business stated in the articles of organization.

(c) Service under subsection (b) shall be made by the person instituting the action by doing all of the following:

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

(2) Transmitting notice of the service on the Secretary of State and a copy of the process, notice, or demand and accompanying papers to the limited liability company being served, by registered or certified mail:

(A) at the last registered office of the limited liability company shown by the records on file in the Office of the Secretary of State; and

(B) at the address the use of which the person instituting the action, suit, or proceeding knows or, on the basis of reasonable inquiry, has reason to believe, is most likely to result in actual notice.

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

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

(e) The Secretary of State shall keep, for a period of 5 years from the date of service, a record of all processes, notices, and demands served upon him or her under this Section and shall record therein the time of the service and such person's action with reference thereto.

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

(805 ILCS 180/1-55)

Sec. 1-55. Transaction of business outside of this State. It is intended by the enactment of this Act that the legal existence of limited liability companies formed under this Act be recognized beyond the limits of this State and that, subject to any reasonable registration requirements, any limited liability company transacting business outside of this State be granted the protection of full faith and credit under Section 1 of Article IV of the Constitution of the United States.

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

(805 ILCS 180/1-60)

Sec. 1-60. Certain powers reserved to General Assembly. The General Assembly shall at all times have power to prescribe such provisions and limitations as it may deem advisable, which provisions and limitations shall be binding upon any and all limited liability companies or foreign limited liability companies, subject to the provisions of this Act, and the General Assembly shall have power to amend, repeal, or modify this Act.

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

(805 ILCS 180/Art. 5 heading)

Article 5. Organization

(805 ILCS 180/5-1)

Sec. 5-1. Organization.

(a) One or more persons, other than natural persons under 18 years of age, may organize a limited liability company by executing and delivering articles of organization to the Secretary of State as specified in Sections 5-5 and 5-45. The organizers need not be members of the limited liability company. Each organizer of a limited liability company organized to engage in the practice of medicine shall be a licensed physician of this State or an attorney licensed to practice law in this State. The execution of the articles of organization constitutes an affirmation by the person, under penalty of perjury, that the facts stated therein are true.

(b) A limited liability company shall have one or more members.

(c) A limited liability company is a legal entity distinct from its members.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/5-5)

Sec. 5-5. Articles of organization.

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

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

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

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

(4) If the limited liability company is to be managed by a manager or managers, the names and business addresses of the initial manager or managers.

(5) If management of the limited liability company is to be vested in the members under Section 15-1, then the names and addresses of the initial member or members.

(6) The latest date, if any, upon which the limited liability company is to dissolve and other events of dissolution, if any, that may be agreed upon by the members under Section 35-1 hereof.

(7) The name and address of each organizer.

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

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

(c) Articles of organization for the organization of a limited liability company for the purpose of accepting and

executing trusts shall not be filed by the Secretary of State until there is delivered to him or her a statement executed by the Commissioner of the Office of Banks and Real Estate that the organizers of the limited liability company have made arrangements with the Commissioner of the Office of Banks and Real Estate to comply with the Corporate Fiduciary Act.

(d) Articles of organization for the organization of a limited liability company as a bank or a savings bank must be filed with the Commissioner of Banks and Real Estate or, if the bank or savings bank will be organized under federal law, with the appropriate federal banking regulator.

(Source: P.A. 93-561, eff. 1-1-04.)

(805 ILCS 180/5-10)

Sec. 5-10. Amendment to articles of organization. A limited liability company may amend its articles of organization at any time to add a new provision or to change or remove an existing provision, provided that the articles as amended contain only provisions that are required or permitted in original articles of organization at the time of amendment.

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

(805 ILCS 180/5-15)

Sec. 5-15. Amendment by managers. A majority of the managers of a limited liability company may adopt one or more amendments to its articles of organization without member action to do any of the following:

(1) To remove the name and address of any manager named in the articles of organization who is no longer a manager.

(2) To remove the name and address of the initial registered agent or the address of the initial registered office, if a statement of change is on file with the Secretary of State.

(3) To change the company name by substituting the words "limited liability company" for the abbreviation "L.L.C." or "LLC" or vice versa, or by adding a geographical attribution to the name.

(4) To restate its articles of organization as currently amended; such articles supersede the original articles and all amendments thereto.

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

(805 ILCS 180/5-20)

Sec. 5-20. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/5-25)

Sec. 5-25. Articles of amendment. The articles of amendment shall be executed and filed in duplicate and shall set forth the following:

(1) The name of the limited liability company.

(2) The text of each amendment adopted.

(3) A statement that the amendment was approved as required by the operating agreement or this Act, as applicable.

(4) (Blank.)

(5) The date on which the amendment is to become effective, if the amendment is to become effective after the date on which the articles of amendment are filed. The date shall not exceed 30 days after the date of filing by the Secretary of State.

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

(805 ILCS 180/5-30)

Sec. 5-30. Restated articles of organization. A limited liability company, whenever desired, may integrate into a single instrument all of the provisions of its articles of organization which are then in effect and operative as a result of there having previously been filed with the Secretary of State one or more instruments under this Act. The restated articles of organization shall be specifically designated as such in the heading. They shall state, either in their heading or in an introductory paragraph, (i) the company's present name if the name has been changed, (ii) the name under which documents were originally filed, and (iii) the date of filing of the original articles of organization by the Secretary of State. Restated articles of organization shall also state that they were duly executed and filed in accordance with the provisions of this Section.

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

(805 ILCS 180/5-35)

Sec. 5-35. Effect of articles of amendment. The amendment shall become effective and the articles of organization shall be deemed to be amended accordingly, as of the later of:

(1) the filing of the articles of amendment by the Secretary of State; or

(2) the time established under the articles of amendment, not to exceed 30 days after the filing of the articles of amendment by the Secretary of State.

If the amendment restates the articles of organization, the restated articles of organization shall, upon the amendment becoming effective, supersede and stand in lieu of the limited liability company's preexisting articles of organization.

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

(805 ILCS 180/5-40)

Sec. 5-40. Effect of filing of articles of organization.

(a) Upon the filing of the articles of organization by the Secretary of State, the limited liability company's existence shall begin, and each of the duplicate copies stamped "Filed" and marked with the filing date shall be conclusive evidence, except as against the State, that all conditions precedent required to be performed by the organizers have been complied with and that the limited liability company has been or shall be, on a later date if so specified in the articles of organization, legally organized and formed under this Act.

(b) If a later date is specified, the articles of organization may be prevented from becoming effective by an application for withdrawal executed in the same manner as the articles of organization and filed with the Secretary of State on or before the specified effective date.

(c) Nothing in this Section shall affect the right of this State to institute a proceeding to cancel or revoke the articles of organization or for involuntary dissolution of the limited liability company or the right of any aggrieved person to maintain an action to enjoin or obtain other relief for a violation of or failure to comply with the provisions of Section 1-10.

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

(805 ILCS 180/5-45)

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

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

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

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

(2) All other documents shall be signed:

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

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

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

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

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

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

(805 ILCS 180/5-46)

Sec. 5-46. Electronic filing. Documents or reports transmitted for filing electronically must include the name of the person making the submission. The inclusion shall constitute the affirmation or acknowledgement of the person, under penalties of perjury, that the instrument is his or her act and deed or the act and deed of the limited liability company, as the case may be, and that the facts stated therein are true. Compliance with this Section shall satisfy the signature provisions of Section 5-45 of this Act, which shall otherwise apply.

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

(805 ILCS 180/5-47)

Sec. 5-47. Statement of correction.

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

(b) A statement of correction shall set forth:

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

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

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

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

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

(e) A statement of correction shall not:

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

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

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

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

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

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

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

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

(805 ILCS 180/5-48)

Sec. 5-48. Petition for refund.

(a) Any domestic or foreign limited liability company having authority to transact business in this State may petition the Secretary of State for a refund of fees claimed to have been erroneously paid, subject to the following limitations:

(1) No refund shall be made unless a petition for refund has been filed in accordance with Section 5-45 of this Act within 3 years after the amount to be refunded was paid.

(2) If the refund claimed is based upon an instrument filed with the Secretary of State which contained a misstatement of fact, typographical error, error of transcription, or other error or defect, no refund of any fee shall be made unless a statement of correction has been filed in accordance with Section 5-47 of this Act.

(b) The petition for refund shall be executed in accordance with Section 5-45 of this Act and shall set forth the following:

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

(2) The amount of the claim.

(3) The details of the transaction and all facts upon which the petitioner relies.

(4) Any other information required by rule.

(c) If the Secretary of State determines that the amount paid is incorrect, he or she shall refund to the limited liability company any amount paid in excess of the proper amount; provided, however, that no refund shall be made for an amount less than \$200, and any refund in excess of that amount shall be reduced by \$200; and provided further, that such refund shall be made without payment of interest.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/5-50)

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

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

(805 ILCS 180/5-55)

Sec. 5-55. Filing in Office of Secretary of State.

(a) Whenever any provision of this Act requires a limited liability company to file any document with the Office of the Secretary of State, the requirement means that:

(1) the original document, executed as described in Section 5-45, and, if required by this Act to be filed in duplicate, one copy (which may be a signed carbon or photocopy) shall be delivered to the Office of the Secretary of State;

(2) all fees and charges authorized by law to be collected by the Secretary of State in connection with the filing of the document shall be tendered to the Secretary of State; and

(3) unless the Secretary of State finds that the document does not conform to law, he or she shall, when all fees have been paid:

(A) endorse on the original and on the copy the word "Filed" and the month, day, and year of the filing thereof;

(B) file in his or her office the original of the document; and

(C) return the copy to the person who filed it or to that person's representative.

(b) If another Section of this Act specifically prescribes a manner of filing or signing a specified document that differs from the corresponding provisions of this Section, then the provisions of the other Section shall govern.

(c) Whenever any provision of this Act requires a limited liability company that is a bank or a savings bank to file any document, that requirement means that the filing shall be made exclusively with the Commissioner of Banks and Real Estate or, if the bank or savings bank is organized under federal law, with the appropriate federal banking regulator at such times and in such manner as required by the Commissioner or federal regulator.

(Source: P.A. 92-33, eff. 7-1-01; 93-561, eff. 1-1-04.)

(805 ILCS 180/5-60)

Sec. 5-60. Interrogatories to be propounded by Secretary of State. The Secretary of State may propound to any limited liability company or foreign limited liability company subject to the provisions of this Act, and to any manager or, if there are no managers, any member thereof, such interrogatories as may be reasonably necessary and proper to enable the Secretary of State to ascertain whether the limited liability company has complied with all the provisions of this Act applicable to the limited liability company. The interrogatories shall be answered within 30 days after the mailing thereof, or within such additional time as shall be fixed by the Secretary of State, and the answers thereto shall be full and complete and shall be made in writing and under oath. If the interrogatories are directed to an individual, they shall be answered by him or her, and if directed to a limited liability company, they shall be answered by the managers thereof or, if there are no managers, the members. The Secretary of State need not file any document to which the interrogatories relate until the interrogatories are answered as herein provided, and not then if the answers thereto disclose that the document is not in conformity with the provisions of this Act. The Secretary of State shall certify to the Attorney General, for such action as the Attorney General may deem appropriate, all interrogatories and answers thereto that disclose a violation of any of the provisions of this Act.

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

(805 ILCS 180/5-65)

Sec. 5-65. Information disclosed by interrogatories. Interrogatories propounded by the Secretary of State and the answers thereto shall not be open to public inspection, nor shall the Secretary of State disclose any facts or information obtained therefrom, except insofar as official duty may require them to be made public or in the event the interrogatories or the answers thereto are required for evidence in any criminal proceeding or in any other action by the State.

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

(805 ILCS 180/5-70)

Sec. 5-70. Notice of existence of limited liability company. The fact that the articles of organization are on file in the Office of the Secretary of State is notice that the limited liability company is a limited liability company and is notice of all other facts set forth therein.

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

(805 ILCS 180/Art. 10 heading)

Article 10. Members

(805 ILCS 180/10-1)

Sec. 10-1. Admission of members. After the filing of the articles of organization, a person who acquires a membership interest directly from the limited liability company or is a transferee of a membership interest may be admitted as a member with unanimous consent of the members.

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

(805 ILCS 180/10-5)

Sec. 10-5. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/10-10)

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

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

(b) (Blank).

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

(d) All or specified members of a limited liability company are liable in their capacity as members for all or specified debts, obligations, or liabilities of the company if:

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

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

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

(805 ILCS 180/10-15)

Sec. 10-15. Member's right to information.

(a) A limited liability company shall provide members and their agents and attorneys access to its records, including the records required to be kept under Section 1-40, at the company's principal place of business or other reasonable locations specified in the operating agreement. The company shall provide former members and their agents and attorneys access for proper purposes to records pertaining to the period during which they were members. The right of access provides the opportunity to inspect and copy records during ordinary business hours. The company may impose a reasonable charge, limited to the costs of labor and material, for copies of records furnished.

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

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

(805 ILCS 180/Art. 13 heading)

Article 13. Relations of members and managers to persons dealing with limited liability company

(805 ILCS 180/13-5)

Sec. 13-5. Agency of members and managers.

(a) Subject to subsections (b) and (c):

(1) Each member is an agent of the limited liability

company for the purpose of its business, and an act of a member, including the signing of an instrument in the company's name, for apparently carrying on, in the ordinary course, the company's business or business of the kind carried on by the company binds the company, unless the member had no authority to act for the company in the particular matter and the person with whom the member was dealing knew or had notice that the member lacked authority.

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

(b) Subject to subsection (c), in a manager-managed company:

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

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

(c) Unless the articles of organization limit their authority, any member of a member-managed company or manager of a manager-managed company may sign and deliver any instrument transferring or affecting the company's interest in real property. The instrument is conclusive in favor of a person who gives value without knowledge of the lack of the authority of the person signing and delivering the instrument. (Source: P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/13-10)

Sec. 13-10. Limited liability company liable for member or manager's actionable conduct. A limited liability company is liable for loss or injury caused to a person, or for a penalty incurred, as a result of a wrongful act or omission, or other actionable conduct, of a member or manager acting in the ordinary course of business of the company or with authority of the company.

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

(805 ILCS 180/Art. 15 heading)

Article 15. Management

(805 ILCS 180/15-1)

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

(a) In a member-managed company:

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

(2) except as otherwise provided in subsection (c)

of this Section, any matter relating to the business of the company may be decided by a majority of the members.

(b) In a manager-managed company:

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

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

(3) a manager:

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

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

(c) The only matters of a member or manager-managed company's business requiring the consent of all of the members are the following:

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

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

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

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

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

(6) the admission of a new member;

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

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

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

(10) the consent of members to merge with another entity under Section 37-20; and

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

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

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

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

(805 ILCS 180/15-3)

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

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

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

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

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

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

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

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

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

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

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

(g) In a manager-managed company:

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

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

(3) a member is held to the standards of conduct in subsections (b), (c), (d), and (e) of this Section to the extent that the member exercises the managerial authority vested in a manager by this Act; and

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

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

(805 ILCS 180/15-5)

Sec. 15-5. Operating agreement.

(a) All members of a limited liability company may enter into an operating agreement to regulate the affairs of the company and the conduct of its business and to govern relations among the members, managers, and company. To the extent the operating agreement does not otherwise provide, this Act governs relations among the members, managers, and company. Except as provided in subsection (b) of this Section, an operating agreement may modify any provision or provisions of this Act governing relations among the members, managers, and company.

(b) The operating agreement may not:

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

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

(3) vary the requirement to wind up the limited

liability company's business in a case specified in subdivisions (3) or (4) of Section 35-1;

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

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

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

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

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

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

(7) eliminate or reduce the obligation of good faith and fair dealing under subsection (d) of Section 15-3, but the operating agreement may determine the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable.

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

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

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

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

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

(805 ILCS 180/15-7)

Sec. 15-7. Member and manager's right to payments and reimbursement.

(a) A limited liability company shall reimburse a member or manager for payments made and indemnify a member or manager for liabilities incurred by the member or manager in the ordinary course of the business of the company or for the preservation of its business or property.

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

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

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

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

(805 ILCS 180/15-10)

Sec. 15-10. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/15-15)

Sec. 15-15. Discharge of duties; consideration. In discharging the duties of their respective positions, members and individual managers may, in considering the best long term and short term interests of the limited liability company, consider the effects of any action (including without limitation, action that may involve or relate to a change or potential change in control of the limited liability company) upon employees, suppliers, and customers of the limited liability company or its subsidiaries, communities in which offices or other establishments of the limited liability company or its subsidiaries are located, and all other pertinent factors.

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

(805 ILCS 180/15-20)

Sec. 15-20. Actions by members.

(a) A member may maintain an action against a limited liability company or another member for legal or equitable relief, with or without an accounting as to the company's business, to enforce all of the following:

(1) The member's rights under the operating agreement.

(2) The member's rights under this Act.

(3) The rights and otherwise protect the interests of the member, including rights and interests arising independently of the member's relationship to the company.

(b) The accrual, and any time limited for the assertion, of a right of action for a remedy under this Section is governed by other law. A right to an accounting upon a dissolution and winding up does not revive a claim barred by law.

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

(805 ILCS 180/Art. 20 heading)

Article 20. Finance

(805 ILCS 180/20-1)

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

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

(805 ILCS 180/20-5)

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

(a) (Blank).

(b) (Blank).

(c) A member's obligation to contribute money, property, or other benefit to, or to perform services for, a limited liability company is not excused by the member's death, disability, or other inability to perform personally. If a

member does not make the required contribution of property or services, the member is obligated at the option of the company to contribute money equal to the value of that portion of the stated contribution which has not been made.

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

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

(805 ILCS 180/20-10)

Sec. 20-10. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/20-15)

Sec. 20-15. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/Art. 25 heading)

Article 25. Distributions

(805 ILCS 180/25-1)

Sec. 25-1. Interim distributions.

(a) Any distributions made by a limited liability company before its dissolution and winding up must be in equal shares.

(b) A member has no right to receive, and may not be required to accept, a distribution in kind.

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

(805 ILCS 180/25-5)

Sec. 25-5. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/25-10)

Sec. 25-10. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/25-15)

Sec. 25-15. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/25-20)

Sec. 25-20. Right to distribution. At the time a member becomes entitled to receive a distribution, the member has the status of and is entitled to all remedies available to a creditor of the limited liability company with respect to the distributions.

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

(805 ILCS 180/25-25)

Sec. 25-25. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/25-30)

Sec. 25-30. Limitations on distributions.

(a) A distribution may not be made if:

(1) the limited liability company would not be able to pay its debts as they become due in the ordinary course of business; or

(2) the company's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the company were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up, and termination of members whose preferential rights are superior to those receiving the distribution.

(b) A limited liability company may base a determination that a distribution is not prohibited under subsection (a) of this Section on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances.

(c) Except as otherwise provided in subsection (e) of this Section, the effect of a distribution under subsection (a) of this Section is measured:

(1) in the case of distribution by purchase, redemption, or other acquisition of a distributional interest in a limited liability company, as of the date money or other property is transferred or debt incurred by the company; and

(2) in all other cases, as of the date the:

(A) distribution is authorized if the payment occurs within 120 days after the date of authorization; or

(B) payment is made if it occurs more than 120 days after the date of authorization.

(d) A limited liability company's indebtedness to a member incurred by reason of a distribution made in accordance with this Section is at parity with the company's indebtedness to its general, unsecured creditors.

(e) Indebtedness of a limited liability company, including indebtedness issued in connection with or as part of a distribution, is not considered a liability for purposes of determinations under subsection (a) of this Section if its terms provide that payment of principal and interest are made only if and to the extent that payment of a distribution to members could then be made under this Section. If the indebtedness is issued as a distribution, each payment of principal or interest on the indebtedness is treated as a distribution, the effect of which is measured on the date the payment is made.

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

(805 ILCS 180/25-35)

Sec. 25-35. Liability for unlawful distributions.

(a) A member of a member-managed company or a member or manager of a manager-managed company who votes for or assents to a distribution made in violation of Section 25-30, the articles of organization, or the operating agreement is personally liable to the company for the amount of the distribution that exceeds the amount that could have been distributed without violating Section 25-30, the articles of organization, or the operating agreement if it is established that the member or manager did not perform the member or

manager's duties in compliance with Section 15-3.

(b) A member of a manager-managed company who knew a distribution was made in violation of Section 25-30, the articles of organization, or the operating agreement is personally liable to the company, but only to the extent that the distribution received by the member exceeded the amount that could have been properly paid under Section 25-30.

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

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

(2) all members who received a distribution in violation of subsection (b) of this Section and may compel contribution from the member in the amount received in violation of subsection (b) of this Section.

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

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

(805 ILCS 180/25-45)

Sec. 25-45. Known claims against dissolved limited liability company.

(a) A dissolved limited liability company may dispose of the known claims against it by following the procedure described in this Section.

(b) A dissolved limited liability company shall notify its known claimants in writing of the dissolution. The notice must:

(1) specify the information required to be included in a claim;

(2) provide a mailing address where the claim is to be sent;

(3) state the deadline for receipt of the claim, which may not be less than 120 days after the date the written notice is received by the claimant; and

(4) state that the claim will be barred if not received by the deadline.

(c) A claim against a dissolved limited liability company is barred if the requirements of subsection (b) of this Section are met, and:

(1) the claim is not received by the specified deadline; or

(2) in the case of a claim that is timely received but rejected by the dissolved company, the claimant does not commence a proceeding to enforce the claim within 90 days after the receipt of the notice of the rejection.

(d) For purposes of this Section, the term "claim" does not include a contingent liability or a claim based on an event occurring after the effective date of dissolution.

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

(805 ILCS 180/25-50)

Sec. 25-50. Other claims against dissolved limited liability company.

(a) A dissolved limited liability company may publish notice of its dissolution and request persons having claims against the company to present them in accordance with the notice.

(b) The notice must:

(1) be published at least once in a newspaper of

general circulation in the county in which the dissolved limited liability company's principal office is located or, if none in this State, in which its designated office is or was last located;

(2) describe the information required to be contained in a claim and provide a mailing address where the claim is to be sent; and

(3) state that a claim against the limited liability company is barred unless a proceeding to enforce the claim is commenced within 5 years after publication of the notice.

(c) If a dissolved limited liability company publishes a notice in accordance with subsection (b) of this Section, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved company within 5 years after the publication date of the notice:

(1) a claimant who did not receive written notice under Section 25-45;

(2) a claimant whose claim was timely sent to the dissolved company but not acted on; and

(3) a claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.

(d) A claim not barred under this Section may be enforced:

(1) against the dissolved limited liability company, to the extent of its undistributed assets; or

(2) if the assets have been distributed in liquidation, against a member of the dissolved company to the extent of the member's proportionate share of the claim or the company's assets distributed to the member in liquidation, whichever is less, but a member's total liability for all claims under this Section may not exceed the total amount of assets distributed to the member.

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

(805 ILCS 180/Art. 30 heading)

Article 30. Assignment of Membership Interests

(805 ILCS 180/30-1)

Sec. 30-1. Member's distributional interest.

(a) A member is not a co-owner of, and has no transferable interest in, property of a limited liability company.

(b) A distributional interest in a limited liability company is personal property and, subject to Sections 30-5 and 30-10, may be transferred in whole or in part.

(c) An operating agreement may provide that a distributional interest may be evidenced by a certificate of the interest issued by the limited liability company and, subject to Section 30-10, may also provide for the transfer of any interest represented by the certificate.

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

(805 ILCS 180/30-5)

Sec. 30-5. Transfer of a distributional interest. A transfer of a distributional interest does not entitle the transferee to become or to exercise any rights of a member. A transfer entitles the transferee to receive, to the extent transferred, only the distributions to which the transferor would be entitled.

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

(805 ILCS 180/30-10)

Sec. 30-10. Rights of a transferee.

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

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

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

(d) A transferee who does not become a member is not entitled to participate in the management or conduct of the limited liability company's business, require access to information concerning the company's transactions, or inspect or copy any of the company's records.

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

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

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

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

(B) a statement of account only from the date of the latest statement of account agreed to by all the members; and

(3) seek under subdivision (6) of Section 35-1 a judicial determination that it is equitable to dissolve and wind up the company's business.

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

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

(805 ILCS 180/30-15)

Sec. 30-15. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/30-20)

Sec. 30-20. Rights of creditor.

(a) On application by a judgment creditor of a member of a limited liability company or of a member's transferee, a court having jurisdiction may charge the distributional interest of the judgment debtor to satisfy the judgment. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances may require to give effect to the charging order.

(b) A charging order constitutes a lien on the judgment debtor's distributional interest. The court may order a foreclosure of a lien on a distributional interest

subject to the charging order at any time. A purchaser at the foreclosure sale has the rights of a transferee.

(c) At any time before foreclosure, a distributional interest in a limited liability company that is charged may be redeemed:

- (1) by the judgment debtor;
- (2) with property other than the company's property, by one or more of the other members; or
- (3) with the company's property, but only if permitted by the operating agreement.

(d) This Act does not affect a member's right under exemption laws with respect to the member's distributional interest in a limited liability company.

(e) This Section provides the exclusive remedy by which a judgment creditor of a member or a transferee may satisfy a judgment out of the judgment debtor's distributional interest in a limited liability company.

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

(805 ILCS 180/Art. 35 heading)

Article 35. Dissolution and Dissociation

(805 ILCS 180/35-1)

Sec. 35-1. Events causing dissolution and winding up of company's business. A limited liability company is dissolved, and, unless continued pursuant to subsection (b) of Section 35-3, its business must be wound up, upon the occurrence of any of the following events:

- (1) An event specified in the operating agreement.
- (2) Consent of the number or percentage of members specified in the operating agreement.
- (3) An event that makes it unlawful for all or substantially all of the business of the company to be continued, but any cure of illegality within 90 days after notice to the company of the event is effective retroactively to the date of the event for purposes of this Section.
- (4) On application by a member or a dissociated member, upon entry of a judicial decree that:
 - (A) the economic purpose of the company is likely to be unreasonably frustrated;
 - (B) another member has engaged in conduct relating to the company's business that makes it not reasonably practicable to carry on the company's business with that member;
 - (C) it is not otherwise reasonably practicable to carry on the company's business in conformity with the articles of organization and the operating agreement;
 - (D) the company failed to purchase the petitioner's distributional interest as required by Section 35-60; or
 - (E) the managers or members in control of the company have acted, are acting, or will act in a manner that is illegal, oppressive, or fraudulent with respect to the petitioner.
- (5) On application by a transferee of a member's interest, a judicial determination that it is equitable to wind up the company's business.

(6) Administrative dissolution under Section 35-25.
(Source: P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/35-3)

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

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

(b) At any time after the dissolution of a limited liability company and before the winding up of its business is completed, the members, including a dissociated member whose dissociation caused the dissolution, may unanimously waive the right to have the company's business wound up and the company terminated. In that case:

(1) the limited liability company resumes carrying on its business as if dissolution had never occurred and any liability incurred by the company or a member after the dissolution and before the waiver is determined as if the dissolution had never occurred; and

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

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

(1) within 6 months or such period as is provided for in the articles of organization or the operating agreement after the occurrence of the event that caused the dissociation of the last remaining member, the personal representative of the last remaining member agrees in writing to continue the limited liability company until the admission of the personal representative of that member or its nominee or designee to the limited liability company as a member, effective as of the occurrence of the event that caused the dissociation of the last remaining member, provided that the articles of organization or the operating agreement may provide that the personal representative of the last remaining member shall be obligated to agree in writing to continue the limited liability company and to the admission of the personal representative of that member or its nominee or designee to the limited liability company as a member, effective as of the occurrence of the event that caused the dissociation of the last remaining member; or

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

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/35-4)

Sec. 35-4. Right to wind up limited liability company's business.

(a) After dissolution, a member who has not wrongfully dissociated may participate in winding up a limited liability company's business, but on application of any member, member's legal representative, or transferee, the Circuit Court, for

good cause shown, may order judicial supervision of the winding up.

(b) A legal representative of the last surviving member may wind up a limited liability company's business.

(c) A person winding up a limited liability company's business may preserve the company's business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, settle and close the company's business, dispose of and transfer the company's property, discharge the company's liabilities, distribute the assets of the company pursuant to Section 35-10, settle disputes by mediation or arbitration, and perform other necessary acts.

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

(805 ILCS 180/35-5)

Sec. 35-5. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/35-7)

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

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

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

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

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

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

(805 ILCS 180/35-10)

Sec. 35-10. Distribution of assets in winding up limited liability company's business.

(a) In winding up a limited liability company's business, the assets of the company must be applied to discharge its obligations to creditors, including members who are creditors. Any surplus must be applied to pay in money the net amount distributable to members in accordance with their right to distributions under subsection (b) of this Section.

(b) Each member is entitled to a distribution upon the winding up of the limited liability company's business, consisting of a return of all contributions that have not previously been returned and a distribution of any remainder in equal shares.

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

(805 ILCS 180/35-15)

Sec. 35-15. Articles of dissolution. When all debts, liabilities, and obligations of the limited liability company have been paid and discharged or adequate provision has been made therefor and all of the remaining property and assets of the limited liability company have been distributed to the members, articles of dissolution shall be executed in duplicate in the manner prescribed in Section 5-45 and shall

set forth all of the following:

- (1) The name of the limited liability company.
 - (2) That all debts, obligations, and liabilities of the limited liability company have been paid and discharged or that adequate provision has been made therefor.
 - (3) That all the remaining property and assets of the limited liability company have been distributed among its members in accordance with their respective rights and interests.
 - (4) That there are no suits pending against the company in any court or that adequate provision has been made for the satisfaction of any judgment, order, or decree that may be entered against it in any pending suit.
- (Source: P.A. 87-1062.)

(805 ILCS 180/35-20)

Sec. 35-20. Filing of articles of dissolution.

(a) Duplicate originals of the articles of dissolution shall be delivered to the Secretary of State. If the Secretary of State finds that the articles of dissolution conform to law, he or she shall, when all required fees have been paid:

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

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

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

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

(805 ILCS 180/35-25)

Sec. 35-25. Grounds of administrative dissolution. The Secretary of State may dissolve any limited liability company administratively if any of the following occur:

(1) it has failed to file its annual report and pay its fee as required by this Act before the first day of the anniversary month or, within 180 days of the anniversary day;

(2) it has failed to file in the Office of the Secretary of State any report within 180 days of the date for filing the report; or

(3) it has failed to appoint and maintain a registered agent in Illinois within 60 days after a registered agent's notice of resignation under Section 1-35.

(Source: P.A. 91-354, eff. 1-1-00.)

(805 ILCS 180/35-30)

Sec. 35-30. Procedure for administrative dissolution.

(a) After the Secretary of State determines that one or more grounds exist under Section 35-25 for the administrative dissolution of a limited liability company, the Secretary of State shall send a notice of delinquency by regular mail to

each delinquent limited liability company at its registered office or, if the limited liability company has failed to maintain a registered office, then to the last known address shown on the records of the Secretary of State for the office at which records of the limited liability company are maintained in accordance with Section 1-40 of this Act.

(b) If the limited liability company does not correct the default within 120 days following the date of the notice of delinquency, the Secretary of State shall thereupon dissolve the limited liability company by issuing a notice of dissolution that recites the grounds for dissolution and its effective date. The Secretary of State shall file the original of the notice in his or her office and mail one copy to the limited liability company at its registered office or, if the limited liability company has failed to maintain a registered office, then to the last known address shown on the records of the Secretary of State for the office at which records of the limited liability company are maintained in accordance with Section 1-40 of this Act.

(c) Upon the administrative dissolution of a limited liability company, a dissolved limited liability company shall continue for only the purpose of winding up its business. A dissolved limited liability company may take all action authorized under Section 1-30 or necessary to wind up its business and affairs and terminate.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/35-35)

Sec. 35-35. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 90-424, eff. 1-1-98.)

(805 ILCS 180/35-40)

Sec. 35-40. Reinstatement following administrative dissolution.

(a) A limited liability company administratively dissolved under Section 35-25 may be reinstated by the Secretary of State following the date of issuance of the notice of dissolution upon:

- (1) The filing of an application for reinstatement.
- (2) The filing with the Secretary of State by the limited liability company of all reports then due and theretofore becoming due.
- (3) The payment to the Secretary of State by the limited liability company of all fees and penalties then due and theretofore becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 5-45 of this Act and shall set forth all of the following:

- (1) The name of the limited liability company at the time of the issuance of the notice of dissolution.
- (2) If the name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the limited liability company as changed, provided that any change of name is properly effected under Section 1-10 and Section 5.25 of this Act.
- (3) The date of issuance of the notice of dissolution.
- (4) The address, including street and number or rural route number of the registered office of the limited liability company upon reinstatement thereof and the name of its registered agent at that address upon the reinstatement of the limited liability company, provided that any change from either the registered office or the

registered agent at the time of dissolution is properly reported under Section 1-35 of this Act.

(c) When a dissolved limited liability company has complied with the provisions of the Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement, the limited liability company existence shall be deemed to have continued without interruption from the date of the issuance of the notice of dissolution, and the limited liability company shall stand revived with the powers, duties, and obligations as if it had not been dissolved; and all acts and proceedings of its members or managers, acting or purporting to act in that capacity, that would have been legal and valid but for the dissolution, shall stand ratified and confirmed.

(Source: P.A. 94-605, eff. 1-1-06.)

(805 ILCS 180/35-45)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) The member's:

(A) becoming a debtor in bankruptcy;

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

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

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

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

(A) the member's death;

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

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

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

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

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

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

(805 ILCS 180/35-50)

Sec. 35-50. Member's power to dissociate; wrongful dissociation.

(a) A member of a member-managed company has the power to dissociate from a company at any time, rightfully or wrongfully, by express will under subdivision (1) of Section 35-45. If an operating agreement does not specify in writing the time or the events upon the happening of which a member of a manager-managed company may dissociate, a member does not have the power, rightfully or wrongfully, to dissociate from the company before the dissolution and winding up of the company.

(b) The member's dissociation from a member-managed company is wrongful only if it is in breach of an express provision of the agreement.

(c) A member who wrongfully dissociates from a member-managed company is liable to the company and to the other members for damages caused by the dissociation. The liability is in addition to any other obligation of the member to the company or to the other members.

(d) If a member-managed company does not dissolve and wind up its business as a result of a member's wrongful dissociation under subsection (b) of this Section, damages sustained by the company for the wrongful dissociation must be offset against distributions otherwise due the member after the dissociation.

(e) Unless otherwise provided in writing in an agreement, a company whose original articles of organization were filed with the Secretary of State and effective on or before January 1, 2001, shall continue to be governed by this Section in effect immediately prior to January 1, 2001, and shall not be governed by this Section.

(Source: P.A. 92-33, eff. 7-1-01.)

(805 ILCS 180/35-55)

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

(a) Upon a member's dissociation the company must cause the dissociated member's distributional interest to be purchased under Section 35-60.

(b) Upon a member's dissociation from a limited liability company:

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

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

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

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

(805 ILCS 180/35-60)

Sec. 35-60. Company purchase of distributional interest.

(a) A limited liability company shall purchase a distributional interest of a member for its fair value determined as of the date of the member's dissociation if the member's dissociation does not result in a dissolution and winding up of the company's business under Section 35-1.

(b) A limited liability company must deliver a purchase offer to the dissociated member whose distributional interest is entitled to be purchased not later than 30 days after the date determined under subsection (a) of this Section. The purchase offer must be accompanied by:

(1) a statement of the company's assets and liabilities as of the date determined under subsection (a) of this Section;

(2) the latest available balance sheet and income statement, if any; and

(3) an explanation of how the estimated amount of the payment was calculated.

(c) If the price and other terms of a purchase of a distributional interest are fixed or are to be determined by the operating agreement, the price and terms so fixed or determined govern the purchase unless the purchaser defaults. If a default occurs, the dissociated member is entitled to commence a proceeding to have the company dissolved under Section 35-1.

(d) If an agreement to purchase the distributional interest is not made within 120 days after the date determined under subsection (a) of this Section, the dissociated member, within another 120 days, may commence a proceeding against the limited liability company to enforce the purchase. The company

at its expense shall notify in writing all of the remaining members, and any other person the court directs, of the commencement of the proceeding. The jurisdiction of the court in which the proceeding is commenced under this subsection (d) is plenary and exclusive.

(e) The court shall determine the fair value of the distributional interest in accordance with the standards set forth in Section 35-65 together with the terms for the purchase. Upon making these determinations, the court shall order the limited liability company to purchase or cause the purchase of the interest.

(f) Damages for wrongful dissociation under Section 35-50, and all other amounts owing, whether or not currently due, from the dissociated member to a limited liability company, must be offset against the purchase price.

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

(805 ILCS 180/35-65)

Sec. 35-65. Court action to determine fair value of distributional interest.

(a) In an action brought to determine the fair value of a distributional interest in a limited liability company, the court shall:

(1) determine the fair value of the interest, considering among other relevant evidence the going concern value of the company, any agreement among some or all of the members fixing the price or specifying a formula for determining value of distributional interests for any other purpose, the recommendations of any appraiser appointed by the court, and any legal constraints on the company's ability to purchase the interest;

(2) specify the terms of the purchase, including, if appropriate, terms for installment payments, subordination of the purchase obligation to the rights of the company's other creditors, security for a deferred purchase price, and a covenant not to compete or other restriction on a dissociated member; and

(3) require the dissociated member to deliver an assignment of the interest to the purchaser upon receipt of the purchase price or the first installment of the purchase price.

(b) After the dissociated member delivers the assignment, the dissociated member has no further claim against the company, its members, officers, or managers, if any, other than a claim to any unpaid balance of the purchase price and a claim under any agreement with the company or the remaining members that is not terminated by the court.

(c) If the purchase is not completed in accordance with the specified terms, the company shall be dissolved upon application under item (D) of subdivision (4) of Section 35-1. If a limited liability company is so dissolved, the dissociated member has the same rights and priorities in the company's assets as if the sale had not been ordered.

(d) If the court finds that a party to the proceeding acted arbitrarily, vexatiously, or not in good faith, it may award one or more other parties their reasonable expenses, including attorney's fees and the expenses of appraisers or other experts, incurred in the proceeding. The finding may be based on the company's failure to make an offer to pay or to comply with Section 35-60.

(e) Interest must be paid on the amount awarded from the date determined under subsection (a) of Section 35-60 to the

date of payment.

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

(805 ILCS 180/35-70)

Sec. 35-70. Dissociated member's power to bind limited liability company. For 2 years after a member dissociates without the dissociation resulting in a dissolution and winding up of a limited liability company's business, the company, including a surviving company under Article 37, is bound by an act of the dissociated member that would have bound the company under Section 13-5 before dissociation only if at the time of entering into the transaction the other party:

(1) reasonably believed that the dissociated member was then a member; and

(2) did not have notice of the member's dissociation.

(3) (blank).

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

(805 ILCS 180/Art. 37 heading)

Article 37. Conversions and mergers

(805 ILCS 180/37-5)

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

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

"General partner" means a partner in a partnership and a general partner in a limited partnership.

"Limited partner" means a limited partner in a limited partnership.

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

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

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

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

"Shareholder" means a shareholder in a corporation.

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

(805 ILCS 180/37-10)

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

(a) A partnership or limited partnership may be converted to a limited liability company pursuant to this Section if conversion to a limited liability company is permitted under the law governing the partnership or limited partnership.

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

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

(d) After a conversion is approved under subsection (b) of

this Section, the partnership or limited partnership shall file articles of organization in the office of the Secretary of State that satisfy the requirements of Section 5-5 and contain all of the following:

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

(2) Its former name.

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

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

(e) In the case of a limited partnership, the filing of articles of organization under subsection (d) of this Section cancels its certificate of limited partnership as of the date the conversion took effect.

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

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

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

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

(805 ILCS 180/37-15)

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

(a) A partnership or limited partnership that has been converted under this Article is for all purposes the same entity that existed before the conversion.

(b) When a conversion takes effect:

(1) all property owned by the converting partnership or limited partnership vests in the limited liability company;

(2) all debts, liabilities, and other obligations of the converting partnership or limited partnership continue as obligations of the limited liability company;

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

(4) except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of the converting partnership or limited partnership vest in the limited liability company; and

(5) except as otherwise provided in the agreement of conversion under Section 37-10, all of the partners of the converting partnership continue as members of the limited liability company.

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

(805 ILCS 180/37-20)

Sec. 37-20. Merger of entities.

(a) Pursuant to a plan of merger approved under subsection (c) of this Section, a limited liability company may be merged with or into one or more limited liability companies, foreign limited liability companies, corporations, foreign corporations, partnerships, foreign partnerships, limited partnerships, foreign limited partnerships, or other domestic or foreign entities if merger with or into a limited liability company is permitted under the law governing the domestic or foreign entity.

(b) A plan of merger must set forth all of the following:

(1) The name of each entity that is a party to the merger.

(2) The name of the surviving entity into which the other entities will merge.

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

(4) The terms and conditions of the merger.

(5) The manner and basis for converting the interests, shares, obligations, or other securities of each party to the merger into interests, shares, obligations, or other securities of the surviving entity, or into money or other property in whole or in part.

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

(c) A plan of merger must be approved:

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

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

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

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

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

(e) The merger is effective upon the filing of the articles of merger with the Secretary of State, or a later date as specified in the articles of merger not later than 30 days subsequent to the filing of the plan of merger under Section 37-25.

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

(805 ILCS 180/37-25)

Sec. 37-25. Articles of merger.

(a) After approval of the plan of merger under Section 37-20, unless the merger is abandoned under subsection (d) of Section 37-20, articles of merger must be signed on behalf of

each limited liability company and other entity that is a party to the merger and delivered to the Secretary of State for filing. The articles must set forth all of the following:

(1) The name and jurisdiction of formation or organization of each of the limited liability companies and other entities that are parties to the merger.

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

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

(4) The name and address of the surviving limited liability company or other surviving entity.

(5) The effective date of the merger.

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

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

(8) If the surviving entity is not a limited liability company, an agreement that the surviving entity may be served with process in this State and is subject to liability in any action or proceeding for the enforcement of any liability or obligation of any limited liability company previously subject to suit in this State which is to merge, and for the enforcement, as provided in this Act, of the right of members of any limited liability company to receive payment for their interest against the surviving entity.

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

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

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

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

(805 ILCS 180/37-30)

Sec. 37-30. Effect of merger.

(a) When a merger takes effect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(805 ILCS 180/37-35)

Sec. 37-35. Article not exclusive. This Article does not preclude an entity from being converted or merged under other law. A bank or savings bank that converts to or merges with and into a limited liability company shall be subject to the provisions of this Article or to other applicable law to the extent that those provisions do not conflict with the State or

federal law pursuant to which the conversion or merger of the bank or savings bank is authorized.

(Source: P.A. 93-561, eff. 1-1-04.)

(805 ILCS 180/37-40)

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

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

(b) Notwithstanding anything to the contrary set forth in this Section or under other applicable law, in the event that an operating agreement creates one or more series, and if separate and distinct records are maintained for any such series and the assets associated with any such series are held (directly or indirectly, including through a nominee or otherwise) and accounted for separately from the other assets of the limited liability company, or any other series thereof, and if the operating agreement so provides, and notice of the limitation on liabilities of a series as referenced in this subsection is set forth in the articles of organization of the limited liability company and if the limited liability company has filed a certificate of designation for each series which is to have limited liability under this Section, then the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series shall be enforceable against the assets of such series only, and not against the assets of the limited liability company generally or any other series thereof, and unless otherwise provided in the operating agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of such series. The fact that the articles of organization contain the foregoing notice of the limitation on liabilities of a series and a certificate of designation for a series is on file in the Office of the Secretary of State shall constitute notice of such limitation on liabilities of a series. A series with limited liability shall be treated as a separate entity to the extent set forth in the articles of organization. Each series with limited liability may, in its own name, contract, hold title to assets, grant security interests, sue and be sued and otherwise conduct business and exercise the powers of a limited liability company under this Act. The limited liability company and any of its series may elect to consolidate their operations as a single taxpayer to the extent permitted under applicable law, elect to work cooperatively, elect to contract jointly or elect to be treated as a single business for purposes of qualification to do business in this or any other state. Such elections shall not affect the limitation of liability set forth in this Section except to the extent that the series have specifically accepted joint liability by contract.

(c) Except in the case of a foreign limited liability company that has adopted an assumed name pursuant to Section 45-15, the name of the series with limited liability must contain the entire name of the limited liability company and be distinguishable from the names of the other series set forth in the articles of organization. In the case of a foreign limited liability company that has adopted an assumed name pursuant to Section 45-15, the name of the series with limited liability must contain the entire name under which the foreign limited liability company has been admitted to transact business in this State.

(d) Upon the filing of the certificate of designation with the Secretary of State setting forth the name of each series with limited liability, the series' existence shall begin, and each of the duplicate copies stamped "Filed" and marked with the filing date shall be conclusive evidence, except as against the State, that all conditions precedent required to be performed have been complied with and that the series has been or shall be legally organized and formed under this Act. If different from the limited liability company, the certificate of designation for each series shall list the names of the members if the series is member managed or the names of the managers if the series is manager managed. The name of a series with limited liability under subsection (b) of this Section may be changed by filing with the Secretary of State a certificate of designation identifying the series whose name is being changed and the new name of such series. If not the same as the limited liability company, the names of the members of a member managed series or of the managers of a manager managed series may be changed

by filing a new certificate of designation with the Secretary of State. A series with limited liability under subsection (b) of this Section may be dissolved by filing with the Secretary of State a certificate of designation identifying the series being dissolved or by the dissolution of the limited liability company as provided in subsection (m) of this Section. Certificates of designation may be executed by the limited liability company or any manager, person or entity designated in the operating agreement for the limited liability company.

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

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

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

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

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

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

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

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

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

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

(o) If a foreign limited liability company, as permitted in the jurisdiction of its organization, has established a series having separate rights, powers or duties and has limited the liabilities of such series so that the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series are enforceable against the assets of such series only, and not against the assets of the limited liability company generally or any other series thereof, or so that the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the limited liability company generally or any other series thereof are not enforceable against the assets of such series, then the limited liability company, on behalf of itself or any of its series, or any of its series on their own behalf may

register to do business in the State in accordance with Section 45-5 of this Act. The limitation of liability shall be so stated on the application for admission as a foreign limited liability company and a certificate of designation shall be filed for each series being registered to do business in the State by the limited liability company. Unless otherwise provided in the operating agreement, the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series of such a foreign limited liability company shall be enforceable against the assets of such series only, and not against the assets of the foreign limited liability company generally or any other series thereof and none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to such a foreign limited liability company generally or any other series thereof shall be enforceable against the assets of such series.

(Source: P.A. 94-607, eff. 8-16-05; 95-368, eff. 8-23-07.)

(805 ILCS 180/Art. 40 heading)

Article 40. Derivative Actions

(805 ILCS 180/40-1)

Sec. 40-1. Right of action. No action shall be brought by a member, or transferee who is entitled to exercise the rights of a member to bring an action, in the right of a limited liability company to recover a judgment in its favor unless members or managers with authority to do so have refused to bring the action or unless an effort to cause those members or managers to bring the action is not likely to succeed.

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

(805 ILCS 180/40-5)

Sec. 40-5. Proper plaintiff. No action shall be brought in the right of a limited liability company by a member or transferee who is a substituted member, unless (i) the plaintiff was a member or is a transferee who was a substituted member at the time of the transaction of which the person complains or (ii) the person's status as a member or a transferee who is a substituted member had devolved upon him or her by operation of law or under the terms of the operating agreement from a person who was a member or a transferee who was a substituted member at the time of the transaction.

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

(805 ILCS 180/40-10)

Sec. 40-10. Pleading. In a derivative action, the complaint shall set forth with particularity the effort of the plaintiff to secure initiation of the action by the limited liability company or the reasons for not making the effort.

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

(805 ILCS 180/40-15)

Sec. 40-15. Expenses. If a derivative action is successful, in whole or in part, or if anything is received by the plaintiff as a result of a judgment, compromise, or settlement of an action or claim, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees, and shall direct the plaintiff to remit to the limited liability company the remainder of those proceeds received by the plaintiff.

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

(805 ILCS 180/Art. 45 heading)

Article 45. Foreign Limited Liability Companies

(805 ILCS 180/45-1)

Sec. 45-1. Law governing foreign limited liability companies.

(a) The laws of the State or other jurisdiction under which a foreign limited liability company is organized govern its organization and internal affairs and the liability of its managers, members, and their transferees.

(b) A foreign limited liability company may not be denied admission by reason of any difference between the laws of another jurisdiction under which the foreign company is organized and the laws of this State.

(c) Having authority to transact business in this State does not authorize a foreign limited liability company to engage in any business or exercise any power that a limited liability company may not engage in or exercise in this State.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/45-5)

Sec. 45-5. Admission to transact business.

(a) Except as provided in Article V of the Illinois Insurance Code, before transacting business in this State, a foreign limited liability company shall be admitted to do so by the Secretary of State. In order to be admitted, a foreign limited liability company shall submit to the Office of the Secretary of State an application for admission to transact business as a foreign limited liability company setting forth all of the following:

(1) The name of the foreign limited liability company and, if different, the name under which it proposes to transact business in this State.

(2) The jurisdiction, date of its formation, and period of duration.

(3) A certificate stating that the company is in existence under the laws of the jurisdiction wherein it is organized executed by the Secretary of State of that jurisdiction or by some other official that may have custody of the records pertaining to limited liability companies (or affidavit from an appropriate official of the jurisdiction that good standing certificates are not issued or other evidence of existence which the Secretary of State shall deem appropriate).

(4) The name and business address of the proposed registered agent in this State, which registered agent shall be an individual resident of this State, a domestic corporation, or a foreign corporation having a place of business in, and authorized to do business in, this State; if the registered agent is a corporation, the corporation must be authorized by its articles of incorporation to act as a registered agent.

(5) The address of the office required to be maintained in the jurisdiction of its organization by the laws of that jurisdiction or, if not so required, of the principal place of business of the foreign limited liability company.

(6) The purpose or purposes for which it was organized and the purpose or purposes which it proposes to conduct in the transaction of business in this State.

(7) A statement whether the limited liability

company is managed by a manager or managers or whether management of the limited liability company is vested in the members.

(8) A statement that the Secretary of State is appointed the agent of the foreign limited liability company for service of process under the circumstances set forth in subsection (b) of Section 1-50.

(9) All additional information that may be necessary or appropriate in order to enable the Secretary of State to determine whether the limited liability company is entitled to transact business in this State.

(b) No foreign limited liability company shall transact in this State any business that a limited liability company formed under the laws of this State is not permitted to transact. A foreign limited liability company admitted to transact business in this State shall, until admission is revoked as provided in this Act, enjoy the same, but no greater, rights and privileges as a limited liability company formed under the laws of this State.

(c) The acceptance and filing by the Office of the Secretary of State of a foreign limited liability company's application shall admit the foreign limited liability company to transact business in the State.

(Source: P.A. 90-424, eff. 1-1-98; 91-593, eff. 8-14-99.)

(805 ILCS 180/45-10)

Sec. 45-10. Filing; issuance of admission. If the Secretary of State finds that an application or amended application for admission conforms to law and all requisite fees have been paid, he or she shall:

(1) endorse on the application or the amended application the word "Filed" and the date of the filing thereof;

(2) file in his or her office one duplicate original of the application or the amended application; and

(3) return the other duplicate original of the application or the amended application to the person who filed it or to that person's representative.

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

(805 ILCS 180/45-15)

Sec. 45-15. Name. A foreign limited liability company may be admitted to transact business in this State under any name (whether or not it is the name under which it is formed in the jurisdiction of its formation) that would be available to a limited liability company. However, if the name is different from the name under which it is formed in its jurisdiction of organization, the foreign limited liability company shall also file an assumed name application in accordance with Section 1-20.

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

(805 ILCS 180/45-20)

Sec. 45-20. Registration; registered name of foreign limited liability company.

(a) Any foreign limited liability company not transacting business in this State and not authorized to transact business in this State may register its name, provided its name is available for use as determined by the Secretary of State in accordance with the provisions of this Act that specify name availability for limited liability companies organized in Illinois. Registration shall be made by doing the following:

(1) executing and filing in accordance with the forms and regulations that the Secretary of State may specify:

(A) an application for registration, stating the name of the limited liability company, the State or place under the laws of which it is organized, the date of its organization, a brief statement of the business in which it is engaged or plans to engage, the post-office address of the limited liability company to which the Secretary of State may mail notices as required or permitted by this Act, and that it desires to register its name under this Section; and

(B) a certificate setting forth that the limited liability company is in good standing under the laws of the State or place wherein it is organized executed by the Secretary of State of that state or by some other public official that may have custody of the records pertaining to limited liability companies; and
(2) paying to the Secretary of State a fee of \$300.

(b) Registration shall be effective from the date of filing by the Secretary of State until the first day of the twelfth month following that date.

(c) Registration may be renewed from year to year by filing an application for renewal setting forth the facts required in an original application for registration and accompanied by a certificate of good standing as required for the original registration and by paying the fee of \$100 within 60 days immediately preceding the first day of the twelfth month following the date of filing the original registration or previous renewal. Renewal shall extend the registration for 12 months, to expire on the first day of the month in which the original registration was filed the next year.

(d) Any foreign limited liability company that has in effect a registration of its name may cancel that registration at any time by filing an application for cancellation in the same manner and setting forth the same facts required to be set forth in an original registration and paying the fee prescribed by this Act.

(e) The Secretary of State may cancel any registration if, after a hearing, he or she finds that the application therefor or any renewal thereof was made contrary to this Act.

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

(805 ILCS 180/45-25)

Sec. 45-25. Changes, amendments, and restatements. If any statement in the application for admission by a foreign limited liability company was false when made or any arrangements or other facts described have changed, making the application inaccurate in any respect including, but not limited to, a change in the name or address of the registered agent required to be maintained by Section 1-35, the foreign limited liability company shall promptly submit to the Office of the Secretary of State, in duplicate, an amended application for admission, executed by a manager or member correcting the statement.

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

(805 ILCS 180/45-30)

Sec. 45-30. Requirement for registered agent and certain reports. A foreign limited liability company admitted to transact business in this State shall:

(1) appoint and continuously maintain a registered

agent and registered office in the manner provided in Section 1-35;

(2) file a report upon any change in the name or business address of its registered agent or address of the registered office in the manner provided in Section 1-36; and

(3) file an annual report as required by Section 50-1.

(Source: P.A. 96-988, eff. 7-2-10.)

(805 ILCS 180/45-35)

Sec. 45-35. Revocation of admission.

(a) The admission of a foreign limited liability company to transact business in this State may be revoked by the Secretary of State upon the occurrence of any of the following events:

(1) The foreign limited company has failed to:

(A) file its limited liability company annual

report within the time required by Section 50-1 or has failed to pay any fees or penalties prescribed by this Article;

(B) appoint and maintain a registered agent in Illinois within 60 days after a registered agent's notice of resignation under Section 1-35;

(C) file a report upon any change in the name or business address of the registered agent;

(D) file in the Office of the Secretary of State any amendment to its application for admission as specified in Section 45-25; or

(E) renew its assumed name, or to apply to change its assumed name under this Act, when the limited liability company may only transact business within this State under its assumed name.

(2) A misrepresentation has been made of any material matter in any application, report, affidavit, or other document submitted by the foreign limited liability company under this Article.

(3) Receipt by the Secretary of State of a certified copy of a memorandum of judgment relating to a judgment entered for money owed to a unit of local government or school district, together with a statement filed by its attorney that the judgment has not been satisfied and that no appeal has been filed.

(b) The admission of a foreign limited liability company shall not be revoked by the Secretary of State unless all of the following occur:

(1) The Secretary of State has given the foreign limited liability company not less than 60 days' notice thereof by mail addressed to its registered office in this State or, if the foreign limited liability company fails to appoint and maintain a registered agent in this State, addressed to the office required to be maintained under paragraph (5) of subsection (a) of Section 45-5.

(2) During that 60 day period, the foreign limited liability company has failed to file the limited liability company report, to pay fees or penalties, to file a report of change regarding the registered agent, to file any amendment, to correct any misrepresentation.

(c) Upon the expiration of 120 days after the mailing of the notice, the admission of the foreign limited liability company to transact business in this State shall cease.

(Source: P.A. 95-515, eff. 8-28-07.)

(805 ILCS 180/45-40)

Sec. 45-40. Withdrawal.

(a) A foreign limited liability company admitted to transact business in this State may withdraw from this State upon filing with the Secretary of State an application for withdrawal. In order to withdraw, the foreign limited liability company shall deliver to the Secretary of State an application for withdrawal, which shall set forth all of the following:

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

(2) That the limited liability company is not transacting business in this State.

(3) That the limited liability company surrenders its admission to transact business in this State.

(4) That the limited liability company revokes the authority of its registered agent in this State to accept service of process and consents that service of process in any action, suit, or proceeding based upon any cause of action arising in this State during the time the limited liability company was admitted to transact business in this State may thereafter be made on the limited liability company by service thereof upon the Secretary of State.

(5) A street address to which a person may mail a copy of any process against the limited liability company.

(6) All additional information that is necessary or appropriate in order to enable the Secretary of State to determine and assess any unpaid fees payable by the limited liability company as prescribed in this Article.

(b) The application for withdrawal shall be in the form and manner designated by the Secretary of State and shall be executed by the limited liability company by one of its managers or, if none, any member or members that may be designated by the members pursuant to limited liability company action properly taken under applicable local law or, if the limited liability company is in the hands of a receiver or trustee, by the receiver or trustee on behalf of the limited liability company. This report shall be accompanied by a written declaration that it is made under the penalties of perjury.

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

(805 ILCS 180/45-45)

Sec. 45-45. Transaction of business without admission.

(a) A foreign limited liability company transacting business in this State may not maintain a civil action in any court of this State until the limited liability company is admitted to transact business in this State.

(b) The failure of a foreign limited liability company to be admitted to transact business in this State does not impair the validity of any contract or act of the foreign limited liability company or prevent the foreign limited liability company from defending any civil action in any court of this State.

(c) A foreign limited liability company, by transacting business in this State without being admitted to do so, appoints the Secretary of State as its agent upon whom any notice, process, or demand may be served.

(d) A foreign limited liability company that transacts business in this State without being admitted to do so shall be liable to the State for the years or parts thereof during which it transacted business in this State without being admitted in an amount equal to all fees that would have been imposed by this Article upon that limited liability company

had it been duly admitted, filed all reports required by this Article, and paid all penalties imposed by this Article. If a limited liability company fails to be admitted to do business in this State within 60 days after it commences transacting business in Illinois, it is liable for a penalty of \$2,000 plus \$100 for each month or fraction thereof in which it has continued to transact business in this State without being admitted to do so. The Attorney General shall bring proceedings to recover all amounts due this State under this Article.

(e) A member of a foreign limited liability company is not liable for the debts and obligations of the limited liability company solely by reason of the company's having transacted business in this State without being admitted to do so.

(Source: P.A. 93-32, eff. 12-1-03.)

(805 ILCS 180/45-47)

Sec. 45-47. Activities that do not constitute transacting business.

(a) Without excluding other activities that may not constitute transacting business in this State, a foreign limited liability company shall not be considered to be transacting business in this State, for purposes of this Article 45, by reason of carrying on in this State any one or more of the following activities:

(1) Maintaining, defending, or settling any proceeding.

(2) Holding meetings of the managers or members or carrying on other activities concerning internal company affairs.

(3) Maintaining bank accounts.

(4) Maintaining offices or agencies for the transfer, exchange, and registration of the limited liability company's own securities or maintaining trustees or depositories with respect to those securities.

(5) Selling through independent contractors.

(6) Soliciting or obtaining orders, whether by mail or through employees or agents or otherwise, if orders require acceptance outside this State before they become contracts.

(7) Owning, without more, real or personal property.

(8) Conducting an isolated transaction that is completed within 120 days and that is not one in the course of repeated transactions of a like nature.

(9) Having a member or manager who is a resident of this State.

(b) This Section has no application to the question of whether any foreign limited liability company is subject to service of process and suit in this State under any law of this State.

(Source: P.A. 93-59, eff. 7-1-03.)

(805 ILCS 180/45-50)

Sec. 45-50. Action to restrain from transaction of business.

(a) The Attorney General may bring an action to restrain a foreign limited liability company from transacting business in this State in violation of this Article.

(b) If the authority of a foreign limited liability company to do business in Illinois ceases because of failure to pay a judgment reported to the Secretary of State under subdivision (a)(3) of Section 45-35, then the Attorney General shall bring an action to restrain a foreign limited liability company from transacting business in this State.

(Source: P.A. 95-515, eff. 8-28-07.)

(805 ILCS 180/45-55)

Sec. 45-55. Process; service on a foreign limited liability company. Service of process on a foreign limited liability company shall be made as provided in subsection (b) of Section 1-50.

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

(805 ILCS 180/45-60)

Sec. 45-60. Execution of application. The execution of an application constitutes an affirmation under the penalties of perjury that the facts stated therein are true.

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

(805 ILCS 180/45-65)

Sec. 45-65. Reinstatement following revocation.

(a) A limited liability company whose admission has been revoked under Section 45-35 may be reinstated by the Secretary of State following the date of issuance of the certificate of revocation upon:

- (1) The filing of the application for reinstatement.
- (2) The filing with the Secretary of State by the limited liability company of all reports then due and becoming due.

(3) The payment to the Secretary of State by the limited liability company of all fees and penalties then due and becoming due.

(b) The application for reinstatement shall be executed and filed in duplicate in accordance with Section 5-45 and shall set forth all of the following:

(1) The name of the limited liability company at the time of the issuance of the notice of revocation.

(2) If the name is not available for use as determined by the Secretary of State at the time of filing the application for reinstatement, the name of the limited liability company as changed, provided that any change is properly effected under Sections 1-10 and 45-25.

(3) The date of the issuance of the notice of revocation.

(4) The address, including street and number or rural route number of the registered office of the limited liability company upon reinstatement and the name of its registered agent at that address upon the reinstatement of the limited liability company, provided that any change from either the registered office or the registered agent at the time of revocation is properly reported under Section 1-35.

(c) When a limited liability company whose admission has been revoked has complied with the provisions of this Section, the Secretary of State shall file the application for reinstatement.

(d) Upon the filing of the application for reinstatement:

(i) the admission of the limited liability company to transact business in this State shall be deemed to have continued without interruption from the date of the issuance of the notice of revocation, (ii) the limited liability company shall stand revived with the powers, duties, and obligations as if its admission had not been revoked, and (iii) all acts and proceedings of its members or managers, acting or purporting to act in that capacity, that would have been legal and valid but for the revocation, shall stand ratified and confirmed.

(Source: P.A. 94-605, eff. 1-1-06.)

(805 ILCS 180/Art. 50 heading)

Article 50. Fees and Other Matters

(805 ILCS 180/50-1)

Sec. 50-1. Annual reports.

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

(1) The name of the limited liability company.

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

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

(4) The names and addresses of its managers or, if none, the members.

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

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

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

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

(805 ILCS 180/50-5)

Sec. 50-5. List of limited liability companies; exchange of information.

(a) The Secretary of State may publish a list or lists of limited liability companies and foreign limited liability companies, as often, in the format, and for the fees as the Secretary of State may in his or her discretion provide by rule. The Secretary of State may disseminate information concerning limited liability companies and foreign limited liability companies by computer network in the format and for the fees as may be determined by rule.

(b) Upon written request, any list published under subsection (a) shall be free to each member of the General Assembly, to each State agency or department, and to each recorder in this State. An appropriate fee established by rule to cover the cost of producing the list shall be charged to all others.

(c) If a domestic or foreign limited liability company has filed with the Secretary of State an annual report for the preceding year or has been newly formed or is otherwise and in any manner registered with the Secretary of State, the Secretary of State shall exchange with the Department of Healthcare and Family Services any information concerning that limited liability company that may be necessary for the enforcement of child support orders entered pursuant to the Illinois Public Aid Code, the Illinois Marriage and Dissolution of Marriage Act, the Non-Support of Spouse and Children Act, the Non-Support Punishment Act, the Revised Uniform Reciprocal Enforcement of Support Act, the Uniform Interstate Family Support Act, or the Illinois Parentage Act of 1984.

Notwithstanding any provisions in this Act to the contrary, the Secretary of State shall not be liable to any person for any disclosure of information to the Department of Healthcare and Family Services (formerly Illinois Department of Public Aid) under this subsection or for any other action taken in good faith to comply with the requirements of this subsection.

(Source: P.A. 95-331, eff. 8-21-07.)

(805 ILCS 180/50-10)

Sec. 50-10. Fees.

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

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

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

(1) Filing articles of organization (domestic), application for admission (foreign), and restated articles of organization (domestic), \$500. Notwithstanding the foregoing, the fee for filing articles of organization (domestic), application for admission (foreign), and restated articles of organization (domestic) in connection with a limited liability company with a series pursuant to Section 37-40 of this Act is \$750.

(2) Filing amendments (domestic or foreign), \$150.

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

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

(5) Renewal fee for reserved name, \$100.

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

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

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

(9) Filing an application for use of an assumed name under Section 1-20 of this Act, \$150 for each year or part thereof ending in 0 or 5, \$120 for each year or part thereof ending in 1 or 6, \$90 for each year or part thereof ending in 2 or 7, \$60 for each year or part thereof ending in 3 or 8, \$30 for each year or part thereof ending in 4 or 9, and a renewal for each assumed name, \$150.

(10) Filing an application for change of an assumed name, \$100.

(11) Filing an annual report of a limited liability company or foreign limited liability company, \$250, if filed as required by this Act, plus a penalty if delinquent. Notwithstanding the foregoing, the fee for filing an annual report of a limited liability company or

foreign limited liability company is \$250 plus \$50 for each series for which a certificate of designation has been filed pursuant to Section 37-40 of this Act, plus a penalty if delinquent.

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

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

(14) Filing an Agreement of Conversion or Statement of Conversion, \$100.

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

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

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

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

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

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

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

(Source: P.A. 94-605, eff. 1-1-06; 94-607, eff. 8-16-05; 95-331, eff. 8-21-07.)

(805 ILCS 180/50-15)

Sec. 50-15. Penalty.

(a) The Secretary of State shall declare any limited liability company or foreign limited liability company to be delinquent and not in good standing if any of the following occur:

(1) It has failed to file its annual report and pay the requisite fee as required by this Act before the first day of the anniversary month in the year in which it is due.

(2) It has failed to appoint and maintain a registered agent in Illinois within 60 days of notification of the Secretary of State by the resigning registered agent.

(3) (Blank).

(b) If the limited liability company or foreign limited liability company has not corrected the default within the time periods prescribed by this Act, the Secretary of State shall be empowered to invoke any of the following penalties:

(1) For failure or refusal to comply with subsection (a) of this Section within 60 days after the due date, a penalty of \$300 plus \$100 for each year or fraction thereof beginning with the second year of delinquency until returned to good standing or until reinstatement is effected.

(2) The Secretary of State shall not file any additional documents, amendments, reports, or other papers relating to any limited liability company or foreign limited liability company organized under or subject to the provisions of this Act until any delinquency under subsection (a) is satisfied.

(3) In response to inquiries received in the Office

of the Secretary of State from any party regarding a limited liability company that is delinquent, the Secretary of State may show the limited liability company as not in good standing.

(Source: P.A. 93-32, eff. 12-1-03; 94-605, eff. 1-1-06.)

(805 ILCS 180/50-20)

Sec. 50-20. Powers of Secretary of State and rulemaking.

(a) The Secretary of State shall have the power and authority reasonably necessary to administer this Act efficiently and to perform the duties herein imposed. The Secretary of State's function under this Act is to be a central depository for the articles of organization of limited liability companies and applications for admission required by this Act and to record the assumed names used by limited liability companies and foreign limited liability companies.

(b) The Secretary of State shall have the power and authority to promulgate rules, in accordance with the Illinois Administrative Procedure Act, necessary to administer this Act efficiently and to perform the duties therein imposed.

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

(805 ILCS 180/50-25)

Sec. 50-25. Certified copies and certificates.

(a) Copies, photostatic or otherwise, any and all documents filed in the Office of the Secretary of State in accordance with the provisions of this Act, when certified by the Secretary of State under the Great Seal of the State of Illinois, shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the facts therein stated.

(b) Certificates by the Secretary of State under the Great Seal of the State of Illinois as to the existence or nonexistence of facts relating to limited liability companies or foreign limited liability companies, which would not appear from a certified copy of any document, shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the existence or nonexistence of the facts therein stated.

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

(805 ILCS 180/50-30)

Sec. 50-30. (Repealed).

(Source: P.A. 87-1062. Repealed by P.A. 91-354, eff. 1-1-00.)

(805 ILCS 180/50-35)

Sec. 50-35. Forms. All documents required by this Act to be filed in the Office of the Secretary of State shall be made on forms prescribed and furnished by the Secretary of State.

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

(805 ILCS 180/50-40)

Sec. 50-40. File number. All documents required by this Act to be filed in the Office of the Secretary of State, with the exception of the initial filing, shall contain the file number assigned by the Secretary of State.

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

(805 ILCS 180/50-45)

Sec. 50-45. Certificate of registration; attorneys at law. A limited liability company that is organized to practice law may not engage in the practice of law without a certificate of registration from the Supreme Court of Illinois. Application for registration shall be made in writing and shall contain the name and address of the limited liability company and such other information as may be required by the Supreme Court. Upon receipt of the application, if the Supreme Court finds that the organizers, members, and managers are each licensed to practice law, no disciplinary action is pending against any of them, and it appears that the limited liability company will be conducted in compliance with the law and the rules of the Supreme Court, the Supreme Court may issue, upon payment of a registration fee of \$50, a certificate of registration.

Upon written application of the certificate holder and upon completion of a form prescribed by the Supreme Court, the Supreme Court may renew the certificate if it finds that the limited liability company has complied with the Supreme Court's rules and the provisions of this Act. The fee for the renewal of a certificate of registration is \$40 per year.

The applications submitted and fees payable to the Supreme Court shall be in addition to the documents, amendments, and reports filed with and the fees and penalties charged by the Secretary of State.

The certificate of registration shall be conspicuously posted upon the premises to which it is applicable, and the limited liability company may have only those offices that are designated by street address in the articles of organization or as changed by amendment of those articles. A certificate of registration is not assignable.

(Source: P.A. 89-686, eff. 12-31-96.)

(805 ILCS 180/50-50)

Sec. 50-50. Department of Business Services Special Operations Fund.

(a) A special fund in the State treasury is created and shall be known as the Department of Business Services Special Operations Fund. Moneys deposited into the Fund shall, subject to appropriation, be used by the Department of Business Services of the Office of the Secretary of State, hereinafter "Department", to create and maintain the capability to perform expedited services in response to special requests made by the public for same-day or 24-hour service. Moneys deposited into the Fund shall be used for, but not limited to, expenditures for personal services, retirement, Social Security, contractual services, equipment, electronic data processing, and telecommunications.

(b) The balance in the Fund at the end of any fiscal year shall not exceed \$600,000, and any amount in excess thereof shall be transferred to the General Revenue Fund.

(c) All fees payable to the Secretary of State under this Section shall be deposited into the Fund. No other fees or charges collected under this Act shall be deposited into the Fund.

(d) "Expedited services" means services rendered within the same day, or within 24 hours from the time, the request therefor is submitted by the filer, law firm, service company, or messenger physically in person or, at the Secretary of State's discretion, by electronic means, to the Department's Springfield Office and includes requests for certified copies, photocopies, and certificates of good standing made to the Department's Springfield Office in person or by telephone, or

requests for certificates of good standing made in person or by telephone to the Department's Chicago Office.

(e) Fees for expedited services shall be as follows:

Restated articles of organization, \$200;

Merger or conversion, \$200;

Articles of organization, \$100;

Articles of amendment, \$100;

Reinstatement, \$100;

Application for admission to transact business, \$100;

Certificate of good standing or abstract of computer record, \$20;

All other filings, copies of documents, annual reports, and copies of documents of dissolved or revoked limited liability companies, \$50.

(Source: P.A. 92-33, eff. 7-1-01; 93-32, eff. 9-1-03.)

(805 ILCS 180/Art. 55 heading)

Article 55. Miscellaneous

(805 ILCS 180/55-1)

Sec. 55-1. Construction and application. This Act shall be so applied and construed to effectuate its general purpose.

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

(805 ILCS 180/55-2)

Sec. 55-2. Construction; attorneys at law. The provisions of this Act are applicable to attorneys at law only to the extent and under such terms and conditions as the Supreme Court of Illinois determines to be necessary and appropriate. Articles of organization of limited liability companies formed to practice law shall contain such provisions as may be appropriate to comply with applicable rules of the Supreme Court.

(Source: P.A. 89-686, eff. 12-31-96.)

(805 ILCS 180/55-5)

Sec. 55-5. Judicial review under the Administrative Review Law.

(a) If the Secretary of State shall fail to approve any document required by this Act to be approved by the Secretary of State before the document shall be filed in his or her office, the Secretary of State shall, within 10 business days after the delivery thereof to him or her, give written notice of the disapproval thereof to the person delivering the document, specifying the reasons therefor. The decision of the Secretary of State is subject to judicial review under the Administrative Review Law.

(b) If the Secretary of State shall revoke any admission of any foreign limited liability company under this Act, the decision shall be subject to judicial review under the Administrative Review Law.

(c) Appeals may be taken from all final orders and judgments entered by the circuit court under this Section in review of any ruling or decision of the Secretary of State may be taken as in other civil actions by either party to the proceeding.

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

(805 ILCS 180/55-10)

Sec. 55-10. Illinois Administrative Procedure Act. The Illinois Administrative Procedure Act is hereby expressly adopted and incorporated herein as if all of the provisions of that Act were included in this Act, except that the provisions of subsection (d) of Section 10-65 of the Illinois Administrative Procedure Act, which provides that at hearing the licensee has the right to show compliance with all lawful requirements for retention, continuation, or renewal of the license, is specifically excluded, and for the purposes of this Act, the notice required under Section 10-25 of the Illinois Administrative Procedure Act is deemed sufficient when mailed to the last known address of a party.

(Source: P.A. 88-670, eff. 12-2-94; 89-626, eff. 8-9-96.)

(805 ILCS 180/55-15)

Sec. 55-15. Transitional provisions.

(a) Before January 1, 2000, this amendatory Act of 1997 governs only a limited liability company:

(1) organized on or after the effective date of this amendatory Act of 1997, unless the company is continuing the business of a dissolved limited liability company under this Act; and

(2) organized before the effective date of this amendatory Act of 1997, that elects, as provided under subsection (c) of this Section, to be governed by this amendatory Act of 1997.

(b) On and after January 1, 2000, this amendatory Act of 1997 governs all limited liability companies.

(c) Before January 1, 2000, a limited liability company voluntarily may elect, in the manner provided in its operating agreement or by law for amending the operating agreement, to be governed by this amendatory Act of 1997.

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

(805 ILCS 180/Art. 60 heading)

ARTICLE 60. EFFECTIVE DATE

(805 ILCS 180/60-1)

Sec. 60-1. Effective date. This Act takes effect on January 1, 1994.

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