

March 4, 2009

**S 412. MODIFY NC LIMITED LIABILITY COMPANY ACT.** Filed 3/4/09. *TO MAKE VARIOUS CHANGES TO THE NORTH CAROLINA LIMITED LIABILITY COMPANY ACT.*

Amends GS 57C-1-20 to permit documents submitted on behalf of a limited liability company (LLC) to be executed by a manager, director or executive (rather than only a manager) and by an organizer if the LLC has never had any members. Amends GS 57C-3-01 to provide that a person may be admitted as a member of an LLC as follows: for a person acquiring a membership interest from the LLC, upon being identified as *a member* by the organizers or as provided in the articles of organization or upon being designated or otherwise appointed as a member under GS 57C-6-01(4); for an assignee or a person having only the rights of an assignee under GS 57C-5-02 with respect to an interest of member as provided in GS 57C-5-04(a); *and*, in connection with a business entity converting or merging into the LLC under GS Chapter 57C, Article 9A, Part 1 or Part 2. Amends GS 57C-4-06 by adding subsection (f) that provides that the term "distribution" does not include amounts constituting compensation for services provided and does not include payments made under a retirement or other benefits program. Amends GS 57C-5-04 to provide that an assignee or other person having only the rights of an assignee under GS 57C-5-02 with respect to an interest in an LLC may become a member only with that person's consent and (i) by meeting the requirements of the articles of organization or operating agreement; (ii) by the unanimous consent of the members, if the articles or operating agreement do not provide otherwise; or, (iii) in the manner permitted by GS 57C-6-01(4), if the LLC ceases to have any members. Amends GS 57C-5-05 to eliminate the provision that permits the executor, administrator or legal representative of a deceased or incompetent individual member to exercise that member's rights. Further amends that section to provide that the legal representative of a dissolved or terminated corporate, trust or other entity member may exercise that member's rights for limited purposes, unless the articles or operating agreement provide otherwise. Amends GS 57C-6-01 to provide that a LLC is dissolved (i) upon the written consent of a majority of the organizers if the LLC never had any members or (ii) on the 90th day after the day on which a LLC that once had at least one member ceases to have any members unless within that 90 day period one or more members are admitted or designated. Amends GS 57C-10-03 by adding new subsection (e) that states it is the policy of GS Chapter 57C to give maximum effect to the principle of freedom of contract and to the enforceability of operating agreements. Makes technical changes to the above sections. Repeals GS 57C-6-06.1 (cancellation of articles of dissolution). Effective January 1, 2010.

**Intro. by Brunstetter.**

GS 57C

April 1, 2009

**S 412. MODIFY NC LIMITED LIABILITY COMPANY ACT.** Filed 3/4/09. Senate committee substitute makes the following changes to 1st edition. Makes technical changes only.

July 2, 2009

**SL 2009-247 (S 412). MODIFY NC LIMITED LIABILITY COMPANY ACT. AN ACT TO MAKE VARIOUS CHANGES TO THE NORTH CAROLINA LIMITED LIABILITY COMPANY ACT.** Summarized in *Daily Bulletin* 3/4/09 and 4/1/09. Enacted July 1, 2009. Effective January 1, 2010.