



General Assembly

January Session, 2019

Substitute Bill No. 7127



AN ACT CONCERNING THE UNIFORM PROTECTED SERIES ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2019*) Sections 1 to 42,
2 inclusive, of this act may be cited as the Uniform Protected Series Act.

3 Sec. 2. (NEW) (*Effective October 1, 2019*) As used in sections 1 to 42,
4 inclusive, of this act:

5 (1) "Asset" means property: (A) In which a series limited liability
6 company or protected series has rights; or (B) as to which the company
7 or protected series has the power to transfer rights.

8 (2) "Associated asset" means an asset that meets the requirements of
9 section 15 of this act.

10 (3) "Associated member" means a member that meets the
11 requirements of section 16 of this act.

12 (4) "Foreign protected series" means an arrangement, configuration
13 or other structure established by a foreign limited liability company
14 which has attributes comparable to a protected series established
15 under sections 1 to 42, inclusive, of this act. "Foreign protected series"
16 applies whether or not the law under which the foreign company is
17 organized refers to "protected series".

18 (5) "Foreign series limited liability company" means a foreign

19 limited liability company that has at least one foreign protected series.

20 (6) "Non-associated asset" means:

21 (A) An asset of a series limited liability company which is not an
22 associated asset of the company; or

23 (B) An asset of a protected series of the company which is not an
24 associated asset of the protected series.

25 (7) "Person" includes a protected series.

26 (8) "Protected series", except in the phrase "foreign protected series",
27 means a protected series established under section 9 of this act.

28 (9) "Protected-series manager" means a person under whose
29 authority the powers of a protected series are exercised and under
30 whose direction the activities and affairs of the protected series are
31 managed under the operating agreement, sections 1 to 42, inclusive, of
32 this act and chapter 613a of the general statutes.

33 (10) "Protected-series transferable interest" means a right to receive a
34 distribution from a protected series.

35 (11) "Protected-series transferee" means a person to which all or part
36 of a protected-series transferable interest of a protected series of a
37 series limited liability company has been transferred, other than the
38 company. "Protected-series transferee" includes a person that owns a
39 protected-series transferable interest as a result of ceasing to be an
40 associated member of a protected series.

41 (12) "Series limited liability company", except in the phrase "foreign
42 series limited liability company", means a limited liability company
43 that has at least one protected series.

44 Sec. 3. (NEW) (*Effective October 1, 2019*) A protected series of a series
45 limited liability company is a person distinct from:

46 (1) The company, subject to subsection (c) of section 4 of this act,
47 subdivision (1) of section 24 of this act and subsection (d) of section 25
48 of this act;

49 (2) Another protected series of the company;

50 (3) A member of the company, whether or not the member is an
51 associated member of the protected series;

52 (4) A protected-series transferee of a protected series of the
53 company; and

54 (5) A transferee of a transferable interest of the company.

55 Sec. 4. (NEW) (*Effective October 1, 2019*) (a) A protected series of a
56 series limited liability company has the capacity to sue and be sued in
57 its own name.

58 (b) Except as otherwise provided in subsections (c) and (d) of this
59 section, a protected series of a series limited liability company has the
60 same powers and purposes as the company.

61 (c) A protected series of a series limited liability company ceases to
62 exist not later than when the company completes its winding up.

63 (d) A protected series of a series limited liability company may not:

64 (1) Be a member of the company;

65 (2) Establish a protected series; or

66 (3) Except as permitted by law of this state other than sections 1 to
67 42, inclusive, of this act, have a purpose or power that the law of this
68 state other than sections 1 to 42, inclusive, of this act prohibits a limited
69 liability company from doing or having.

70 Sec. 5. (NEW) (*Effective October 1, 2019*) The law of this state governs:

71 (1) The internal affairs of a protected series of a series limited

72 liability company, including:

73 (A) Relations among any associated members of the protected
74 series;

75 (B) Relations between the protected series and: (i) Any associated
76 member; (ii) the protected-series manager; or (iii) any protected-series
77 transferee;

78 (C) Relations between any associated member and: (i) The
79 protected-series manager; or (ii) any protected-series transferee;

80 (D) The rights and duties of a protected-series manager;

81 (E) Governance decisions affecting the activities and affairs of the
82 protected series and the conduct of those activities and affairs; and

83 (F) Procedures and conditions for becoming an associated member
84 or a protected-series transferee;

85 (2) The relations between a protected series of a series limited
86 liability company and each of the following:

87 (A) The company;

88 (B) Another protected series of the company;

89 (C) A member of the company which is not an associated member of
90 the protected series;

91 (D) A protected-series manager that is not a protected-series
92 manager of the protected series; and

93 (E) A protected-series transferee that is not a protected-series
94 transferee of the protected series;

95 (3) The liability of a person for a debt, obligation or other liability of
96 a protected series of a series limited liability company if the debt,
97 obligation or liability is asserted solely by reason of the person being or

98 acting as:

99 (A) An associated member, a protected-series transferee or a
100 protected-series manager of the protected series;

101 (B) A member of the company which is not an associated member of
102 the protected series;

103 (C) A protected-series manager that is not a protected-series
104 manager of the protected series;

105 (D) A protected-series transferee that is not a protected-series
106 transferee of the protected series;

107 (E) A manager of the company; or

108 (F) A transferee of a transferable interest of the company;

109 (4) The liability of a series limited liability company for a debt,
110 obligation or other liability of a protected series of the company if the
111 debt, obligation or liability is asserted solely by reason of the company:

112 (A) Having delivered to the Secretary of the State for filing (i) under
113 subsection (b) of section 9 of this act, a protected series designation
114 pertaining to the protected series, or (ii) under subsection (d) of section
115 9 of this act or subsection (c) of section 10 of this act, a certificate of
116 designation change pertaining to the protected series;

117 (B) Being or acting as a protected-series manager of the protected
118 series;

119 (C) Having the protected series be or act as a manager of the
120 company; or

121 (D) Owning a protected-series transferable interest of the protected
122 series; and

123 (5) The liability of a protected series of a series limited liability

124 company for a debt, obligation or other liability of the company or of
125 another protected series of the company if the debt, obligation or
126 liability is asserted solely by reason of:

127 (A) The protected series: (i) Being a protected series of the company
128 or having as a protected-series manager the company or another
129 protected series of the company; or (ii) being or acting as a protected-
130 series manager of another protected series of the company or a
131 manager of the company; or

132 (B) The company owning a protected-series transferable interest of
133 the protected series.

134 Sec. 6. (NEW) (*Effective October 1, 2019*) (a) Except as otherwise
135 provided in this section and subject to sections 7 and 8 of this act, the
136 operating agreement of a series limited liability company governs:

137 (1) The internal affairs of a protected series, including:

138 (A) Relations among any associated members of the protected
139 series;

140 (B) Relations between the protected series and: (i) Any associated
141 member; (ii) the protected-series manager; or (iii) any protected-series
142 transferee;

143 (C) Relations between any associated member and: (i) The
144 protected-series manager; or (ii) any protected-series transferee;

145 (D) The rights and duties of a protected-series manager;

146 (E) Governance decisions affecting the activities and affairs of the
147 protected series and the conduct of those activities and affairs; and

148 (F) Procedures and conditions for becoming an associated member
149 or protected-series transferee;

150 (2) Relations among the protected series, the company and any

151 other protected series of the company;

152 (3) Relations between:

153 (A) The protected series, its protected-series manager, any
154 associated member of the protected series or any protected-series
155 transferee of the protected series; and

156 (B) A person in the person's capacity as: (i) A member of the
157 company which is not an associated member of the protected series;
158 (ii) a protected-series transferee or protected-series manager of another
159 protected series; or (iii) a transferee of the company.

160 (b) If any provision of chapter 613a of the general statutes restricts
161 the power of an operating agreement to affect a matter, the restriction
162 applies to a matter under sections 1 to 42, inclusive, of this act in
163 accordance with section 8 of this act.

164 (c) If law of this state other than sections 1 to 42, inclusive, of this act
165 imposes a prohibition, limitation, requirement, condition, obligation,
166 liability or other restriction on a limited liability company, a member,
167 manager or other agent of the company, or a transferee of the
168 company, except as otherwise provided in law of this state other than
169 sections 1 to 42, inclusive, of this act, the restriction applies in
170 accordance with section 8 of this act.

171 (d) Except as otherwise provided in section 7 of this act, if the
172 operating agreement of a series limited liability company does not
173 provide for a matter described in subsection (a) of this section in a
174 manner permitted by sections 1 to 42, inclusive, of this act, the matter
175 is determined in accordance with the following rules:

176 (1) To the extent sections 1 to 42, inclusive, of this act address the
177 matter, sections 1 to 42, inclusive, of this act govern.

178 (2) To the extent sections 1 to 42, inclusive, of this act do not address
179 the matter, chapter 613a of the general statutes governs the matter in

180 accordance with section 8 of this act.

181 Sec. 7. (NEW) (*Effective October 1, 2019*) (a) An operating agreement
182 may not vary the effect of:

183 (1) This section;

184 (2) Section 3 of this act;

185 (3) Subsection (a) of section 4 of this act;

186 (4) Subsection (b) of section 4 of this act to provide a protected series
187 a power beyond the powers chapter 613a of the general statutes
188 provides a limited liability company;

189 (5) Subsection (c) or (d) of section 4 of this act;

190 (6) Section 5 of this act;

191 (7) Section 6 of this act;

192 (8) Section 8 of this act;

193 (9) Section 9 of this act, except to vary the manner in which a limited
194 liability company approves establishing a protected series;

195 (10) Section 10 of this act;

196 (11) Section 15 of this act;

197 (12) Section 16 of this act;

198 (13) Subsection (a) or (b) of section 17 of this act;

199 (14) Subsection (c) or (f) of section 18 of this act;

200 (15) Section 20 of this act, except to decrease or eliminate a limitation
201 of liability stated in section 20 of this act;

202 (16) Section 21 of this act;

203 (17) Section 22 of this act;

204 (18) Section 23 of this act;

205 (19) Subdivisions (1), (4) and (5) of section 24 of this act;

206 (20) Section 25 of this act, except to designate a different person to
207 manage winding up;

208 (21) Section 26 of this act;

209 (22) Sections 27 to 34, inclusive, of this act;

210 (23) Sections 35 to 38, inclusive, of this act;

211 (24) Sections 39 to 42, inclusive, of this act; or

212 (25) A provision of sections 1 to 42, inclusive, of this act pertaining
213 to:

214 (A) Registered agents; or

215 (B) The Secretary of the State, including provisions pertaining to
216 records authorized or required to be delivered to the Secretary of the
217 State for filing under sections 1 to 42, inclusive, of this act.

218 (b) An operating agreement may not unreasonably restrict the
219 duties and rights under section 19 of this act but may impose
220 reasonable restrictions on the availability and use of information
221 obtained under section 19 of this act and may provide appropriate
222 remedies, including liquidated damages, for a breach of any
223 reasonable restriction on use.

224 Sec. 8. (NEW) (*Effective October 1, 2019*) (a) Except as otherwise
225 provided in subsection (b) of this section and section 7 of this act, the
226 following rules apply in applying section 6 of this act, subsections (c)
227 and (f) of section 18 of this act, subparagraph (A) of subdivision (4) of
228 section 24 of this act, subsection (a) of section 25 of this act, and

229 subdivision (2) of section 26 of this act:

230 (1) A protected series of a series limited liability company is deemed
231 to be a limited liability company that is formed separately from the
232 series limited liability company and is distinct from the series limited
233 liability company and any other protected series of the series limited
234 liability company.

235 (2) An associated member of the protected series is deemed to be a
236 member of the company deemed to exist under subdivision (1) of this
237 subsection.

238 (3) A protected-series transferee of the protected series is deemed to
239 be a transferee of the company deemed to exist under subdivision (1)
240 of this subsection.

241 (4) A protected-series transferable interest of the protected series is
242 deemed to be a transferable interest of the company deemed to exist
243 under subdivision (1) of this subsection.

244 (5) A protected-series manager is deemed to be a manager of the
245 company deemed to exist under subdivision (1) of this subsection.

246 (6) An asset of the protected series is deemed to be an asset of the
247 company deemed to exist under subdivision (1) of this subsection,
248 whether or not the asset is an associated asset of the protected series.

249 (7) Any creditor or other obligee of the protected series is deemed to
250 be a creditor or obligee of the company deemed to exist under
251 subdivision (1) of this subsection.

252 (b) Subsection (a) of this section does not apply if its application
253 would:

254 (1) Contravene the provisions of section 34-243d of the general
255 statutes; or

256 (2) Authorize or require the Secretary of the State to:

257 (A) Accept for filing a type of record that neither sections 1 to 42,
258 inclusive, of this act nor chapter 613a of the general statutes authorizes
259 or requires a person to deliver to the Secretary of the State for filing; or

260 (B) Make or deliver a record that neither sections 1 to 42, inclusive,
261 of this act nor chapter 613a of the general statutes authorizes or
262 requires the Secretary of the State to make or deliver.

263 Sec. 9. (NEW) (*Effective October 1, 2019*) (a) With the affirmative vote
264 or consent of all members of a limited liability company, the company
265 may establish a protected series.

266 (b) To establish a protected series, a limited liability company shall
267 deliver to the Secretary of the State for filing a protected series
268 designation, signed by the company, stating the name of the company
269 and the name of the protected series to be established.

270 (c) A protected series is established when the protected series
271 designation takes effect under section 34-247f of the general statutes, as
272 amended by this act.

273 (d) To amend a protected series designation, a series limited liability
274 company shall deliver to the Secretary of the State for filing a
275 certificate of designation change, signed by the company, that changes
276 the name of the company, the name of the protected series to which the
277 designation applies, or both. The change takes effect when the
278 certificate of designation change takes effect under section 34-247f of
279 the general statutes, as amended by this act.

280 Sec. 10. (NEW) (*Effective October 1, 2019*) (a) Except as otherwise
281 provided in subsection (b) of this section, the name of a protected
282 series shall comply with section 34-243k of the general statutes.

283 (b) The name of a protected series of a series limited liability
284 company shall:

285 (1) Begin with the name of the company, including any word or

286 abbreviation required by subsection (a) of section 34-243k of the
287 general statutes; and

288 (2) Contain the phrase "Protected Series" or "protected series" or the
289 abbreviation "P.S." or "PS".

290 (c) If a series limited liability company changes its name, the
291 company shall deliver to the Secretary of the State for filing a
292 certificate of designation change for each of the company's protected
293 series, changing the name of each protected series to comply with this
294 section.

295 Sec. 11. (NEW) (*Effective October 1, 2019*) (a) The registered agent in
296 this state for a series limited liability company is the registered agent in
297 this state for each protected series of the company.

298 (b) Before delivering a protected series designation to the Secretary
299 of the State for filing, a limited liability company shall agree with a
300 registered agent that the agent will serve as the registered agent in this
301 state for both the company and the protected series.

302 (c) A person that signs a protected series designation delivered to
303 the Secretary of the State for filing affirms as a fact that the limited
304 liability company on whose behalf the designation is delivered has
305 complied with subsection (b) of this section.

306 (d) A person that ceases to be the registered agent for a series
307 limited liability company ceases to be the registered agent for each
308 protected series of the company.

309 (e) A person that ceases to be the registered agent for a protected
310 series of a series limited liability company, other than as a result of the
311 termination of the protected series, ceases to be the registered agent of
312 the company and any other protected series of the company.

313 (f) Except as otherwise agreed by a series limited liability company
314 and its registered agent, the agent is not obligated to distinguish

315 between a process, notice, demand or other record concerning the
316 company and a process, notice, demand or other record concerning a
317 protected series of the company.

318 Sec. 12. (NEW) (*Effective October 1, 2019*) (a) A protected series of a
319 series limited liability company may be served with a process, notice,
320 demand or other record required or permitted by law by:

321 (1) Serving the company;

322 (2) Serving the registered agent of the protected series; or

323 (3) Other means authorized by law of this state other than chapter
324 613a of the general statutes.

325 (b) Service of a summons and complaint on a series limited liability
326 company is notice to each protected series of the company of service of
327 the summons and complaint and the contents of the complaint.

328 (c) Service of a summons and complaint on a protected series of a
329 series limited liability company is notice to the company and any other
330 protected series of the company of service of the summons and
331 complaint and the contents of the complaint.

332 (d) Service of a summons and complaint on a foreign series limited
333 liability company is notice to each foreign protected series of the
334 foreign company of service of the summons and complaint and the
335 contents of the complaint.

336 (e) Service of a summons and complaint on a foreign protected
337 series of a foreign series limited liability company is notice to the
338 foreign company and any other foreign protected series of the
339 company of service of the summons and complaint and the contents of
340 the complaint.

341 (f) Notice to a person under subsection (b), (c), (d) or (e) of this
342 section is effective whether or not the summons and complaint identify

343 the person if the summons and complaint name as a party and
344 identify:

345 (1) The series limited liability company or a protected series of the
346 company; or

347 (2) The foreign series limited liability company or a foreign
348 protected series of the foreign company.

349 Sec. 13. (NEW) (*Effective October 1, 2019*) (a) On request of any
350 person, the Secretary of the State shall issue a certificate of legal
351 existence for a protected series of a series limited liability company or a
352 certificate of registration for a foreign protected series if:

353 (1) In the case of a protected series:

354 (A) No certificate of dissolution, termination or relocation
355 pertaining to the protected series has been filed; and

356 (B) The company has delivered to the Secretary of the State for filing
357 the most recent annual report required by section 34-247k of the
358 general statutes and the report includes the name of the protected
359 series, unless: (i) When the company delivered the report for filing, the
360 protected series designation pertaining to the protected series had not
361 yet taken effect; or (ii) after the company delivered the report for filing,
362 the company delivered to the Secretary of the State for filing a
363 certificate of designation change changing the name of the protected
364 series; or

365 (2) In the case of a foreign protected series, it is registered to do
366 business in this state.

367 (b) A certificate issued under subsection (a) of this section shall
368 state:

369 (1) In the case of a protected series:

370 (A) The name of the protected series of the series limited liability

371 company and the name of the company;

372 (B) That the requirements of subsection (a) of this section are met;

373 (C) The date the protected series designation pertaining to the
374 protected series took effect; and

375 (D) If a certificate of designation change pertaining to the protected
376 series has been filed, the effective date and contents of the certificate;

377 (2) In the case of a foreign protected series, that it is registered to do
378 business in this state;

379 (3) That the fees, taxes, interest and penalties owed to this state by
380 the protected series or foreign protected series and collected through
381 the Secretary of the State have been paid, if:

382 (A) Payment is reflected in the records of the Secretary of the State;
383 and

384 (B) Nonpayment affects the good standing of the protected series;
385 and

386 (4) Other facts reflected in the records of the Secretary of the State
387 pertaining to the protected series or foreign protected series which the
388 person requesting the certificate reasonably requests.

389 (c) Subject to any qualification stated by the Secretary of the State in
390 a certificate issued under subsection (a) of this section, the certificate
391 may be relied on as conclusive evidence of the facts stated in the
392 certificate.

393 Sec. 14. (NEW) (*Effective October 1, 2019*) (a) In the annual report
394 required by section 34-247k of the general statutes, a series limited
395 liability company shall include the name of each protected series of the
396 company:

397 (1) For which the company has previously delivered to the Secretary

398 of the State for filing a protected series designation; and

399 (2) Which has not dissolved and completed winding up.

400 (b) A failure by a series limited liability company to comply with
401 subsection (a) of this section with regard to a protected series prevents
402 issuance of a certificate of legal existence pertaining to the protected
403 series but does not otherwise affect the protected series.

404 Sec. 15. (NEW) (*Effective October 1, 2019*) (a) Only an asset of a
405 protected series may be an associated asset of the protected series.
406 Only an asset of a series limited liability company may be an
407 associated asset of the company.

408 (b) An asset of a protected series of a series limited liability
409 company is an associated asset of the protected series only if the
410 protected series creates and maintains records that state the name of
411 the protected series and describe the asset with sufficient specificity to
412 permit a disinterested, reasonable individual to:

413 (1) Identify the asset and distinguish it from any other asset of the
414 protected series, any asset of the company and any asset of any other
415 protected series of the company;

416 (2) Determine when and from what person the protected series
417 acquired the asset or how the asset otherwise became an asset of the
418 protected series; and

419 (3) If the protected series acquired the asset from the company or
420 another protected series of the company, determine any consideration
421 paid, the payor and the payee.

422 (c) An asset of a series limited liability company is an associated
423 asset of the company only if the company creates and maintains
424 records that state the name of the company and describe the asset with
425 sufficient specificity to permit a disinterested, reasonable individual to:

426 (1) Identify the asset and distinguish it from any other asset of the
427 company and any asset of any protected series of the company;

428 (2) Determine when and from what person the company acquired
429 the asset or how the asset otherwise became an asset of the company;
430 and

431 (3) If the company acquired the asset from a protected series of the
432 company, determine any consideration paid, the payor and the payee.

433 (d) The records and recordkeeping required by subsections (b) and
434 (c) of this section may be organized by specific listing, category, type,
435 quantity or computational or allocational formula or procedure,
436 including a percentage or share of any asset, or in any other reasonable
437 manner.

438 (e) To the extent permitted by this section and law of this state other
439 than sections 1 to 42, inclusive, of this act, a series limited liability
440 company or protected series of the company may hold an associated
441 asset directly or indirectly, through a representative, nominee or
442 similar arrangement, except that:

443 (1) A protected series may not hold an associated asset in the name
444 of the company or another protected series of the company; and

445 (2) The company may not hold an associated asset in the name of a
446 protected series of the company.

447 Sec. 16. (NEW) (*Effective October 1, 2019*) (a) Only a member of a
448 series limited liability company may be an associated member of a
449 protected series of the company.

450 (b) A member of a series limited liability company becomes an
451 associated member of a protected series of the company if the
452 operating agreement or a procedure established by the agreement
453 states:

454 (1) That the member is an associated member of the protected series;

455 (2) The date on which the member became an associated member;
456 and

457 (3) Any protected-series transferable interest the associated member
458 has in connection with becoming or being an associated member.

459 (c) If a person that is an associated member of a protected series of a
460 series limited liability company is dissociated from the company, the
461 person ceases to be an associated member of the protected series.

462 Sec. 17. (NEW) (*Effective October 1, 2019*) (a) A protected-series
463 transferable interest of a protected series of a series limited liability
464 company shall be owned initially by an associated member of the
465 protected series or the company.

466 (b) If a protected series of a series limited liability company has no
467 associated members when established, the company owns the
468 protected-series transferable interests of the protected series.

469 (c) In addition to acquiring a protected-series transferable interest of
470 the protected series under subsection (b) of this section, a series limited
471 liability company may acquire a protected-series transferable interest
472 through a transfer from another person or as provided in the operating
473 agreement.

474 (d) Except for subdivision (3) of subsection (a) of section 8 of this
475 act, a provision of sections 1 to 42, inclusive, of this act that applies to a
476 protected-series transferee of a protected series of a series limited
477 liability company applies to the company in its capacity as an owner of
478 a protected-series transferable interest of the protected series. A
479 provision of the operating agreement of a series limited liability
480 company that applies to a protected-series transferee of a protected
481 series of the company applies to the company in its capacity as an
482 owner of a protected-series transferable interest of the protected series.

483 Sec. 18. (NEW) (*Effective October 1, 2019*) (a) A protected series may
484 have more than one protected-series manager.

485 (b) If a protected series has no associated members, the series
486 limited liability company is the protected-series manager.

487 (c) Section 8 of this act applies to determine any duties of a
488 protected-series manager of a protected series of a series limited
489 liability company to:

490 (1) The protected series;

491 (2) Any associated member of the protected series; and

492 (3) Any protected-series transferee of the protected series.

493 (d) Solely by reason of being or acting as a protected-series manager
494 of a protected series of a series limited liability company, a person
495 owes no duty to:

496 (1) The company;

497 (2) Another protected series of the company; or

498 (3) Another person in that person's capacity as:

499 (A) A member of the company which is not an associated member
500 of the protected series;

501 (B) A protected-series transferee or protected-series manager of
502 another protected series; or

503 (C) A transferee of the company.

504 (e) An associated member of a protected series of a series limited
505 liability company has the same rights as any other member of the
506 company to vote on or consent to an amendment to the company's
507 operating agreement or any other matter being decided by the
508 members, whether or not the amendment or matter affects the interests

509 of the protected series or the associated member.

510 (f) Part VIII of chapter 613a of the general statutes applies to a
511 protected series in accordance with section 8 of this act.

512 Sec. 19. (NEW) (*Effective October 1, 2019*) (a) A member of a series
513 limited liability company which is not an associated member of a
514 protected series of the company has a right to information concerning
515 the protected series to the same extent, in the same manner and under
516 the same conditions that a member that is not a manager of a manager-
517 managed limited liability company has a right to information
518 concerning the company under section 34-255i of the general statutes.

519 (b) A person that was formerly an associated member of a protected
520 series has a right to information concerning the protected series to the
521 same extent, in the same manner and under the same conditions that a
522 person dissociated as a member of a manager-managed limited
523 liability company has a right to information concerning the company
524 under section 34-255i of the general statutes.

525 (c) If an associated member of a protected series dies, the legal
526 representative of the deceased associated member has a right to
527 information concerning the protected series to the same extent, in the
528 same manner and under the same conditions that the legal
529 representative of a deceased member of a limited liability company has
530 a right to information concerning the company under section 34-255i of
531 the general statutes.

532 (d) A protected-series manager of a protected series has a right to
533 information concerning the protected series to the same extent, in the
534 same manner and under the same conditions that a manager of a
535 manager-managed limited liability company has a right to information
536 concerning the company under section 34-255i of the general statutes.

537 Sec. 20. (NEW) (*Effective October 1, 2019*) (a) A person is not liable,
538 directly or indirectly, by way of contribution or otherwise, for a debt,
539 obligation or other liability of:

540 (1) A protected series of a series limited liability company solely by
541 reason of being or acting as: (A) An associated member, a series
542 manager or a protected-series transferee of the protected series; or (B) a
543 member, manager or transferee of the company; or

544 (2) A series limited liability company solely by reason of being or
545 acting as an associated member, a protected-series manager or a
546 protected-series transferee of a protected series of the company.

547 (b) Subject to section 23 of this act, the following rules apply:

548 (1) A debt, obligation or other liability of a series limited liability
549 company is solely the debt, obligation or liability of the company.

550 (2) A debt, obligation or other liability of a protected series is solely
551 the debt, obligation or liability of the protected series.

552 (3) A series limited liability company is not liable, directly or
553 indirectly, by way of contribution or otherwise, for a debt, obligation
554 or other liability of a protected series of the company solely by reason
555 of the protected series being a protected series of the company or the
556 company:

557 (A) Being or acting as a protected-series manager of the protected
558 series;

559 (B) Having the protected series manage the company; or

560 (C) Owning a protected-series transferable interest of the protected
561 series.

562 (4) A protected series of a series limited liability company is not
563 liable, directly or indirectly, by way of contribution or otherwise, for a
564 debt, obligation or other liability of the company or another protected
565 series of the company solely by reason of:

566 (A) Being a protected series of the company;

567 (B) Being or acting as a manager of the company or a protected-
568 series manager of another protected series of the company; or

569 (C) Having the company or another protected series of the company
570 be or act as a protected-series manager of the protected series.

571 Sec. 21. (NEW) (*Effective October 1, 2019*) (a) Except as otherwise
572 provided in subsection (b) of this section, a claim seeking to disregard
573 a limitation in section 20 of this act is governed by the principles of law
574 and equity, including a principle providing a right to a creditor or
575 holding a person liable for a debt, obligation or other liability of
576 another person, which would apply if each protected series of a series
577 limited liability company were a limited liability company formed
578 separately from the series limited liability company and distinct from
579 the series limited liability company and any other protected series of
580 the series limited liability company.

581 (b) The failure of a limited liability company or a protected series to
582 observe a formality relating to the exercise of its powers or
583 management of its activities and affairs is not a ground to disregard a
584 limitation in subsection (a) of section 20 of this act, but may be a
585 ground to disregard a limitation in subsection (b) of section 20 of this
586 act.

587 (c) This section applies to a claim seeking to disregard a limitation of
588 liability applicable to a foreign series limited liability company or
589 foreign protected series and comparable to a limitation stated in
590 section 20 of this act, if:

591 (1) The claimant is a resident of this state or doing business or
592 registered to do business in this state; or

593 (2) The claim is to establish or enforce a liability arising under law of
594 this state other than sections 1 to 42, inclusive, of this act or from an act
595 or omission in this state.

596 Sec. 22. (NEW) (*Effective October 1, 2019*) Section 34-259b of the

597 general statutes applies to a judgment creditor of:

598 (1) An associated member or a protected-series transferee of a
599 protected series; or

600 (2) A series limited liability company, to the extent the company
601 owns a protected-series transferable interest of a protected series.

602 Sec. 23. (NEW) (*Effective October 1, 2019*) (a) As used in this section:

603 (1) "Enforcement date" means 12:01 a.m. on the date on which a
604 claimant first serves process on a series limited liability company or
605 protected series in an action seeking to enforce under this section a
606 claim against an asset of the company or protected series by
607 attachment, levy or the like.

608 (2) Subject to subsection (b) of section 34 of this act, "incurrence
609 date" means the date on which a series limited liability company or
610 protected series incurred the liability giving rise to a claim that a
611 claimant seeks to enforce under this section.

612 (b) If a claim against a series limited liability company or a protected
613 series of the company has been reduced to judgment, in addition to
614 any other remedy provided by law or equity, the judgment may be
615 enforced in accordance with the following rules:

616 (1) A judgment against the company may be enforced against an
617 asset of a protected series of the company if the asset: (A) Was a non-
618 associated asset of the protected series on the incurrence date; or (B) is
619 a non-associated asset of the protected series on the enforcement date.

620 (2) A judgment against a protected series may be enforced against
621 an asset of the company if the asset: (A) Was a non-associated asset of
622 the company on the incurrence date; or (B) is a non-associated asset of
623 the company on the enforcement date.

624 (3) A judgment against a protected series may be enforced against

625 an asset of another protected series of the company if the asset: (A)
626 Was a non-associated asset of the other protected series on the
627 incurrence date; or (B) is a non-associated asset of the other protected
628 series on the enforcement date.

629 (c) In addition to any other remedy provided by law or equity, if a
630 claim against a series limited liability company or a protected series
631 has not been reduced to a judgment and law other than sections 1 to
632 42, inclusive, of this act permits a prejudgment remedy by attachment,
633 levy or the like, the court may apply subsection (b) of this section as a
634 prejudgment remedy.

635 (d) In a proceeding under this section, the party asserting that an
636 asset is or was an associated asset of a series limited liability company
637 or a protected series of the company has the burden of proof on the
638 issue.

639 (e) This section applies to an asset of a foreign series limited liability
640 company or foreign protected series if:

641 (1) The asset is real or tangible property located in this state;

642 (2) The claimant is a resident of this state or doing business or
643 registered to do business in this state, or the claim under this section is
644 to enforce a judgment, or to seek a prejudgment remedy, pertaining to
645 a liability arising under law of this state other than sections 1 to 42,
646 inclusive, of this act or an act or omission in this state; and

647 (3) The asset is not identified in the records of the foreign series
648 limited liability company or foreign protected series in a manner
649 comparable to the manner required by section 15 of this act.

650 Sec. 24. (NEW) (*Effective October 1, 2019*) A protected series of a
651 series limited liability company is dissolved, and its activities and
652 affairs wound up, only on the:

653 (1) Dissolution of the company;

654 (2) Occurrence of an event or circumstance the operating agreement
655 states causes dissolution of the protected series;

656 (3) Affirmative vote or consent of all members;

657 (4) Entry by the court of an order dissolving the protected series on
658 application by an associated member or a protected-series manager of
659 the protected series:

660 (A) In accordance with section 8 of this act; and

661 (B) To the same extent, in the same manner and on the same
662 grounds the court would enter an order dissolving a limited liability
663 company on application by a member or manager of the company; or

664 (5) Entry by the court of an order dissolving the protected series on
665 application by the company or a member of the company on the
666 ground that the conduct of all or substantially all the activities and
667 affairs of the protected series is illegal.

668 Sec. 25. (NEW) (*Effective October 1, 2019*) (a) Subject to subsections
669 (b) and (c) of this section and in accordance with section 8 of this act:

670 (1) A dissolved protected series shall wind up its activities and
671 affairs in the same manner that a limited liability company winds up
672 its activities and affairs under section 34-267a of the general statutes,
673 subject to the same requirements and conditions and with the same
674 effects; and

675 (2) Judicial supervision or another judicial remedy is available in the
676 winding up of the protected series to the same extent, in the same
677 manner, under the same conditions and with the same effects that
678 apply under section 34-267a of the general statutes.

679 (b) When a protected series of a series limited liability company
680 dissolves, the company may deliver to the Secretary of the State for
681 filing a certificate of protected series dissolution stating the name of

682 the company and the protected series and that the protected series is
683 dissolved. The filing of the certificate by the Secretary of the State has
684 the same effect as the filing by the Secretary of the State of a certificate
685 of dissolution under section 34-267a of the general statutes.

686 (c) When a protected series of a series limited liability company has
687 completed winding up, the company may deliver to the Secretary of
688 the State for filing a certificate of designation cancellation stating the
689 name of the company and the protected series and that the protected
690 series is terminated. The filing of the certificate by the Secretary of the
691 State has the same effect as the filing by the Secretary of the State of a
692 certificate of dissolution under subsection (b) of section 34-267a of the
693 general statutes.

694 (d) A series limited liability company has not completed its winding
695 up until each of the protected series of the company has completed its
696 winding up.

697 Sec. 26. (NEW) (*Effective October 1, 2019*) If a series limited liability
698 company that has been administratively dissolved is reinstated, or a
699 series limited liability company that voluntarily dissolved rescinds its
700 dissolution:

701 (1) Each protected series of the company ceases winding up; and

702 (2) Section 34-267b of the general statutes applies to each protected
703 series of the company in accordance with section 8 of this act.

704 Sec. 27. (NEW) (*Effective October 1, 2019*) As used in this section and
705 sections 28 to 34, inclusive, of this act:

706 (1) "After a merger" or "after the merger" means when a merger
707 under section 30 of this act becomes effective and afterwards.

708 (2) "Before a merger" or "before the merger" means before a merger
709 under section 30 of this act becomes effective.

710 (3) "Continuing protected series" means a protected series of a
711 surviving company which continues in uninterrupted existence after a
712 merger under section 30 of this act.

713 (4) "Merging company" means a limited liability company that is
714 party to a merger under section 30 of this act.

715 (5) "Non-surviving company" means a merging company that does
716 not continue in existence after a merger under section 30 of this act.

717 (6) "Relocated protected series" means a protected series of a non-
718 surviving company which, after a merger under section 30 of this act,
719 continues in uninterrupted existence as a protected series of the
720 surviving company.

721 (7) "Surviving company" means a merging company that continues
722 in existence after a merger under section 30 of this act.

723 Sec. 28. (NEW) (*Effective October 1, 2019*) A protected series may not:

724 (1) Be an acquiring, acquired, converting, converted, merging or
725 surviving entity;

726 (2) Participate in a domestication; or

727 (3) Be a party to or be formed, organized, established or created in a
728 transaction substantially like a merger, interest exchange, conversion
729 or domestication.

730 Sec. 29. (NEW) (*Effective October 1, 2019*) A series limited liability
731 company may not be:

732 (1) An acquiring, acquired, converting, converted, domesticating or
733 domesticated entity; or

734 (2) Except as otherwise provided in section 30 of this act, a party to
735 or the surviving company of a merger.

736 Sec. 30. (NEW) (*Effective October 1, 2019*) A series limited liability
737 company may be party to a merger in accordance with sections 34-
738 279h to 34-279k, inclusive, of the general statutes, this section and
739 sections 31 to 34, inclusive, of this act only if:

740 (1) Each other party to the merger is a limited liability company; and

741 (2) The surviving company is not created in the merger.

742 Sec. 31. (NEW) (*Effective October 1, 2019*) In a merger under section
743 30 of this act, the plan of merger shall:

744 (1) Comply with section 34-279h of the general statutes; and

745 (2) State in a record:

746 (A) For any protected series of a non-surviving company, whether
747 after the merger the protected series will be a relocated protected series
748 or be dissolved, wound up and terminated;

749 (B) For any protected series of the surviving company which exists
750 before the merger, whether after the merger the protected series will be
751 a continuing protected series or be dissolved, wound up and
752 terminated;

753 (C) For each relocated protected series or continuing protected
754 series:

755 (i) The name of any person that becomes an associated member or
756 protected-series transferee of the protected series after the merger, any
757 consideration to be paid by, on behalf of, or in respect of the person,
758 the name of the payor and the name of the payee;

759 (ii) The name of any person whose rights or obligations in the
760 person's capacity as an associated member or protected-series
761 transferee will change after the merger;

762 (iii) Any consideration to be paid to a person who before the merger

763 was an associated member or a protected-series transferee of the
764 protected series and the name of the payor; and

765 (iv) If after the merger the protected series will be a relocated
766 protected series, its new name;

767 (D) For any protected series to be established by the surviving
768 company as a result of the merger:

769 (i) The name of the protected series;

770 (ii) Any protected-series transferable interest to be owned by the
771 surviving company when the protected series is established; and

772 (iii) The name of and any protected-series transferable interest
773 owned by any person that will be an associated member of the
774 protected series when the protected series is established; and

775 (E) For any person that is an associated member of a relocated
776 protected series and will remain a member after the merger, any
777 amendment to the operating agreement of the surviving company
778 which:

779 (i) Is or is proposed to be in a record; and

780 (ii) Is necessary or appropriate to state the rights and obligations of
781 the person as a member of the surviving company.

782 Sec. 32. (NEW) (*Effective October 1, 2019*) In a merger under section
783 30 of this act, the certificate of merger shall:

784 (1) Comply with the requirements for a certificate of merger under
785 section 34-279j of the general statutes; and

786 (2) Include as an attachment the following records, each to become
787 effective when the merger becomes effective:

788 (A) For a protected series of a merging company being terminated

789 as a result of the merger, a certificate of termination signed by the
790 company;

791 (B) For a protected series of a non-surviving company which after
792 the merger will be a relocated protected series:

793 (i) A certificate of relocation signed by the non-surviving company
794 which contains the name of the company and the name of the
795 protected series before and after the merger; and

796 (ii) A certificate of protected series designation signed by the
797 surviving company; and

798 (C) For a protected series being established by the surviving
799 company as a result of the merger, a certificate of designation signed
800 by the company.

801 Sec. 33. (NEW) (*Effective October 1, 2019*) When a merger under
802 section 30 of this act becomes effective, in addition to the effects stated
803 in section 34-279k of the general statutes:

804 (1) As provided in the plan of merger, each protected series of each
805 merging company which was established before the merger:

806 (A) Is a relocated protected series or continuing protected series; or

807 (B) Is dissolved, wound up, and terminated;

808 (2) Any protected series to be established as a result of the merger is
809 established;

810 (3) Any relocated protected series or continuing protected series is
811 the same person without interruption as it was before the merger;

812 (4) All property of a relocated protected series or continuing
813 protected series continues to be vested in the protected series without
814 transfer, reversion or impairment;

815 (5) All debts, obligations and other liabilities of a relocated protected
816 series or continuing protected series continue as debts, obligations and
817 other liabilities of the protected series;

818 (6) Except as otherwise provided by law or the plan of merger, all
819 the rights, privileges, immunities, powers and purposes of a relocated
820 protected series or continuing protected series remain in the protected
821 series;

822 (7) The new name of a relocated protected series may be substituted
823 for the former name of the protected series in any pending action or
824 proceeding;

825 (8) If provided in the plan of merger:

826 (A) A person becomes an associated member or a protected-series
827 transferee of a relocated protected series or continuing protected series;

828 (B) A person becomes an associated member of a protected series
829 established by the surviving company as a result of the merger;

830 (C) Any change in the rights or obligations of a person in the
831 person's capacity as an associated member or a protected-series
832 transferee of a relocated protected series or continuing protected series
833 take effect; and

834 (D) Any consideration to be paid to a person that before the merger
835 was an associated member or a protected-series transferee of a
836 relocated protected series or continuing protected series is due; and

837 (9) Any person that is a member of a relocated protected series
838 becomes a member of the surviving company, if not already a member.

839 Sec. 34. (NEW) (*Effective October 1, 2019*) (a) A creditor's right that
840 existed under section 23 of this act immediately before a merger under
841 section 30 of this act may be enforced after the merger in accordance
842 with the following rules:

843 (1) A creditor's right that existed immediately before the merger
844 against the surviving company, a continuing protected series or a
845 relocated protected series continues without change after the merger.

846 (2) A creditor's right that existed immediately before the merger
847 against a non-surviving company:

848 (A) May be asserted against an asset of the non-surviving company
849 which vested in the surviving company as a result of the merger; and

850 (B) Does not otherwise change.

851 (3) Subject to subsection (b) of this section, the following rules
852 apply:

853 (A) In addition to the remedy stated in subdivision (1) of this
854 subsection, a creditor with a right under section 23 of this act which
855 existed immediately before the merger against a non-surviving
856 company or a relocated protected series may assert the right against: (i)
857 An asset of the surviving company, other than an asset of the non-
858 surviving company which vested in the surviving company as a result
859 of the merger; (ii) an asset of a continuing protected series; (iii) an asset
860 of a protected series established by the surviving company as a result
861 of the merger; (iv) if the creditor's right was against an asset of the non-
862 surviving company, an asset of a relocated series; or (v) if the creditor's
863 right was against an asset of a relocated protected series, an asset of
864 another relocated protected series.

865 (B) In addition to the remedy stated in subdivision (2) of this
866 subsection, a creditor with a right that existed immediately before the
867 merger against the surviving company or a continuing protected series
868 may assert the right against:

869 (i) An asset of a relocated protected series; or

870 (ii) An asset of a non-surviving company which vested in the
871 surviving company as a result of the merger.

872 (b) For the purposes of subdivision (3) of subsection (a) of this
873 section and subparagraph (A) of subdivision (1) of subsection (b) of
874 section 23 of this act, subparagraph (A) of subdivision (2) of subsection
875 (b) of section 23 of this act and subparagraph (A) of subdivision (3) of
876 subsection (b) of section 23 of this act, the incurrence date is deemed be
877 the date on which the merger becomes effective.

878 (c) A merger under section 30 of this act does not affect the manner
879 in which section 23 of this act applies to a liability incurred after the
880 merger.

881 Sec. 35. (NEW) (*Effective October 1, 2019*) The law of the jurisdiction
882 of formation of a foreign series limited liability company governs:

883 (1) The internal affairs of a foreign protected series of the company,
884 including:

885 (A) Relations among any associated members of the foreign
886 protected series;

887 (B) Relations between the foreign protected series and: (i) Any
888 associated member; (ii) the protected-series manager; or (iii) any
889 protected-series transferee;

890 (C) Relations between any associated member and: (i) The
891 protected-series manager; or (ii) any protected-series transferee;

892 (D) The rights and duties of a protected-series manager;

893 (E) Governance decisions affecting the activities and affairs of the
894 foreign protected series and the conduct of those activities and affairs;
895 and

896 (F) Procedures and conditions for becoming an associated member
897 or a protected-series transferee;

898 (2) Relations between the foreign protected series and:

- 899 (A) The company;
- 900 (B) Another foreign protected series of the company;
- 901 (C) A member of the company which is not an associated member of
902 the foreign protected series;
- 903 (D) A foreign protected-series manager that is not a protected-series
904 manager of the protected series;
- 905 (E) A foreign protected-series transferee that is not a foreign
906 protected-series transferee of the protected series; and
- 907 (F) A transferee of a transferable interest of the company;
- 908 (3) Except as otherwise provided in sections 21 and 23 of this act, the
909 liability of a person for a debt, obligation or other liability of a foreign
910 protected series of a foreign series limited liability company if the debt,
911 obligation or liability is asserted solely by reason of the person being or
912 acting as:
- 913 (A) An associated member, a protected-series transferee or a
914 protected-series manager of the foreign protected series;
- 915 (B) A member of the company which is not an associated member of
916 the foreign protected series;
- 917 (C) A protected-series manager of another foreign protected series
918 of the company;
- 919 (D) A protected-series transferee of another foreign protected series
920 of the company;
- 921 (E) A manager of the company; or
- 922 (F) A transferee of a transferable interest of the company; and
- 923 (4) Except as otherwise provided in sections 21 and 23 of this act:

924 (A) The liability of the foreign series limited liability company for a
925 debt, obligation or other liability of a foreign protected series of the
926 company if the debt, obligation or liability is asserted solely by reason
927 of the foreign protected series being a foreign protected series of the
928 company or the company: (i) Being or acting as a foreign protected-
929 series manager of the foreign protected series; (ii) having the foreign
930 protected series manage the company; or (iii) owning a protected-
931 series transferable interest of the foreign protected series; and

932 (B) The liability of a foreign protected series for a debt, obligation or
933 other liability of the company or another foreign protected series of the
934 company if the debt, obligation or liability is asserted solely by reason
935 of the foreign protected series: (i) Being a foreign protected series of
936 the company or having the company or another foreign protected
937 series of the company be or act as a foreign protected-series manager
938 of the foreign protected series; or (ii) managing the company or being
939 or acting as a foreign protected-series manager of another foreign
940 protected series of the company.

941 Sec. 36. (NEW) (*Effective October 1, 2019*) In determining whether a
942 foreign series limited liability company or foreign protected series of
943 the company does business in this state or is subject to the personal
944 jurisdiction of the courts of this state:

945 (1) The activities and affairs of the company are not attributable to a
946 foreign protected series of the company solely by reason of the foreign
947 protected series being a foreign protected series of the company; and

948 (2) The activities and affairs of a foreign protected series are not
949 attributable to the company or another foreign protected series of the
950 company solely by reason of the foreign protected series being a
951 foreign protected series of the company.

952 Sec. 37. (NEW) (*Effective October 1, 2019*) (a) Except as otherwise
953 provided in this section and subject to sections 21 and 23 of this act, the
954 law of this state governing the registration of a foreign limited liability

955 company to do business in this state, including the consequences of not
956 complying with that law, applies to a foreign protected series of a
957 foreign series limited liability company as if the foreign protected
958 series were a foreign limited liability company formed separately from
959 the foreign series limited liability company and distinct from the
960 foreign series limited liability company and any other foreign
961 protected series of the foreign series limited liability company.

962 (b) An application by a foreign protected series of a foreign series
963 limited liability company for registration to do business in this state
964 shall include:

965 (1) The name and jurisdiction of formation of the foreign series
966 limited liability company; and

967 (2) If the company has other foreign protected series, the name and
968 street and mailing address of an individual who knows the name and
969 street and mailing address of:

970 (A) Each other foreign protected series of the foreign series limited
971 liability company; and

972 (B) The foreign protected-series manager of and agent for service of
973 process for each other foreign protected series of the foreign series
974 limited liability company.

975 (c) The name of a foreign protected series applying for registration
976 or registered to do business in this state shall comply with section 10 of
977 this act and may do so using an alternate name adopted pursuant to
978 section 34-275e of the general statutes, if the name complies with
979 section 10 of this act.

980 (d) The requirement in section 34-275c of the general statutes to
981 amend a foreign registration certificate to update information applies
982 to the information required by subsection (b) of this section.

983 Sec. 38. (NEW) (*Effective October 1, 2019*) (a) Not later than thirty

984 days after becoming a party to a proceeding before a civil,
985 administrative or other adjudicative tribunal of or located in this state
986 or a tribunal of the United States located in this state:

987 (1) A foreign series limited liability company shall disclose to each
988 other party the name and street and mailing address of:

989 (A) Each foreign protected series of the company; and

990 (B) Each foreign protected-series manager of and a registered agent
991 for service of process for each foreign protected series of the company;
992 and

993 (2) A foreign protected series of a foreign series limited liability
994 company shall disclose to each other party the name and street and
995 mailing address of:

996 (A) The company and each manager of the company and an agent
997 for service of process for the company; and

998 (B) Any other foreign protected series of the company and each
999 foreign protected-series manager of and an agent for service of process
1000 for the other foreign protected series.

1001 (b) If a foreign series limited liability company or foreign protected
1002 series challenges the personal jurisdiction of the tribunal, the
1003 requirement that the foreign company or foreign protected series make
1004 a disclosure under subsection (a) of this section is tolled until the
1005 tribunal determines whether it has personal jurisdiction.

1006 (c) If a foreign series limited liability company or foreign protected
1007 series does not comply with subsection (a) of this section, a party to the
1008 proceeding may:

1009 (1) Request the tribunal to treat the noncompliance as a failure to
1010 comply with the tribunal's discovery rules; or

1011 (2) Bring a separate proceeding in the court to enforce subsection (a)

1012 of this section.

1013 Sec. 39. (NEW) (*Effective October 1, 2019*) In applying and construing
1014 sections 1 to 42, inclusive, of this uniform act, consideration shall be
1015 given to the need to promote uniformity of the law with respect to its
1016 subject matter among states that enact it.

1017 Sec. 40. (NEW) (*Effective October 1, 2019*) The provisions of sections 1
1018 to 42, inclusive, of this act modify, limit and supersede the Electronic
1019 Signatures in Global and National Commerce Act, 15 USC 7001 et seq.,
1020 but do not modify, limit or supersede Section 101(c) of said act, 15 USC
1021 7001(c), or authorize electronic delivery of any of the notices described
1022 in Section 103(b) of said act, 15 USC 7003(b).

1023 Sec. 41. (NEW) (*Effective October 1, 2019*) (a) On and after October 1,
1024 2019, sections 1 to 42, inclusive, of this act govern all series limited
1025 liability companies and protected series.

1026 (b) Prior to October 1, 2020, sections 21 and 23 of this act do not
1027 apply to a foreign protected series that was established before October
1028 1, 2019, or a foreign limited liability company that became a foreign
1029 series limited liability company before October 1, 2019.

1030 Sec. 42. (NEW) (*Effective October 1, 2019*) The provisions of sections 1
1031 to 42, inclusive, of this act do not affect an action commenced,
1032 proceeding brought or right accrued before October 1, 2019.

1033 Sec. 43. Section 34-243a of the general statutes is repealed and the
1034 following is substituted in lieu thereof (*Effective October 1, 2019*):

1035 As used in sections 34-243 to 34-283d, inclusive, and sections 1 to 42,
1036 inclusive, of this act:

1037 (1) "Certificate of organization" means the certificate required by
1038 section 34-247, and includes the certificate as amended or restated.

1039 (2) "Connecticut Entity Transactions Act" means chapter 616.

1040 (3) "Contribution", except in the phrase "right of contribution",
1041 means property or a benefit described in section 34-255a which is
1042 provided by a person to a limited liability company to become a
1043 member or in the person's capacity as a member.

1044 (4) "Debtor in bankruptcy" means a person that is the subject of: (A)
1045 An order for relief under Title 11 of the United States Code or a
1046 comparable order under a successor statute of general application; or
1047 (B) a comparable order under federal, state or foreign law governing
1048 insolvency.

1049 (5) "Disinterested individual" means an individual, including a
1050 disinterested member, who, at the time action is to be taken under
1051 section 34-271d, does not have (A) a material interest in the outcome of
1052 the proceeding, or (B) a material relationship with a person who has
1053 such an interest.

1054 (6) "Disinterested member" means a member who, at the time action
1055 is to be taken under:

1056 (A) Subsection (b) or (d) of section 34-255g, (i) is not a party to the
1057 proceeding, (ii) is not a member who sought approval for a member's
1058 conflicting interest transaction under subsection (f) of section 34-255h
1059 or a disclaimer of the limited liability company's interest in a business
1060 opportunity under subsection (b) of section 34-255h, which approval or
1061 disclaimer is challenged in the proceeding, and (iii) does not have a
1062 material relationship with a party or member described in clause (i) or
1063 (ii) of this subparagraph;

1064 (B) Subsection (f) of section 34-255h, is not a member (i) as to whom
1065 the transaction is a member's conflicting interest transaction, or (ii)
1066 who has a material relationship with another member as to whom the
1067 transaction is a member's conflicting interest transaction; or

1068 (C) Subsection (b) of section 34-255h, would be a disinterested
1069 member under subparagraph (B) of this subdivision if the business
1070 opportunity were a member's conflicting interest transaction.

1071 (7) "Disinterested person" means a person, including a disinterested
1072 member, who, at the time action is to be taken under subparagraph (A)
1073 of subdivision (1) of subsection (d) of section 34-243d, does not have
1074 (A) a material interest in the outcome of the action, or (B) a material
1075 relationship with a person who has such an interest.

1076 (8) "Distribution" means a transfer of money or other property from
1077 a limited liability company to a person on account of a transferable
1078 interest or in the person's capacity as a member. "Distribution": (A)
1079 Includes (i) a redemption or other purchase by a limited liability
1080 company of a transferable interest; and (ii) a transfer to a member in
1081 return for the member's relinquishment of any right to participate as a
1082 member in the management or conduct of the company's activities and
1083 affairs or to have access to records or other information concerning the
1084 company's activities and affairs; and (B) does not include amounts
1085 constituting reasonable compensation for present or past service or
1086 payments made in the ordinary course of business under a bona fide
1087 retirement plan or other bona fide benefits program.

1088 (9) "Foreign limited liability company" means an unincorporated
1089 entity formed under the law of a jurisdiction other than this state
1090 which would be a limited liability company if formed under the law of
1091 this state.

1092 (10) "Governing jurisdiction" means the jurisdiction whose law
1093 governs the internal affairs of an entity.

1094 (11) "Jurisdiction", when used to refer to a political entity, means the
1095 United States, a state, a foreign county or a political subdivision of a
1096 foreign country.

1097 (12) "Limited liability company", except in the phrase "foreign
1098 limited liability company" and when used in sections 34-279 to 34-279i,
1099 inclusive, means an entity formed under sections 34-243 to 34-283d,
1100 inclusive, or which becomes subject to said sections under the
1101 Connecticut Entity Transactions Act, or section 34-243i or 34-279h.

1102 (13) "Majority in interest of the members" means the members
1103 owning more than fifty per cent of the transferable interests of the
1104 limited liability company, excluding any transferable interests not
1105 owned by the members; except that if it is not possible to determine
1106 which members own more than fifty per cent of the transferable
1107 interests based on the operating agreement of the limited liability
1108 company, then majority in interest of the members means the members
1109 who would receive more than fifty per cent of the distributions with
1110 respect to the dissolution of the limited liability company at the time of
1111 the vote if there would be such distributions, or if there would not be
1112 such distributions, the "majority in interest of the members" means the
1113 members who at the time of the vote contributed more than fifty per
1114 cent of the unreturned capital contributions made to the limited
1115 liability company since the date of formation of the limited liability
1116 company.

1117 (14) "Manager" means a person that, under the operating agreement
1118 of a manager-managed limited liability company, is responsible, alone
1119 or in concert with others, for performing the management functions set
1120 forth in subsection (c) of section 34-255f, regardless of the title used to
1121 describe such person.

1122 (15) "Manager-managed limited liability company" means a limited
1123 liability company that qualifies under subsection (a) of section 34-255f.

1124 (16) "Material relationship" means a familial, financial, professional
1125 or employment relationship that would reasonably be expected to
1126 impair the objectivity of the person's judgment when participating in
1127 the action to be taken.

1128 (17) "Material interest" means an actual or potential benefit or
1129 detriment, other than one which would devolve on the limited liability
1130 company or the members generally, that would reasonably be
1131 expected to impair the objectivity of the person's judgment when
1132 participating in the action to be taken.

1133 (18) "Member" means a person that: (A) Has become a member of a
1134 limited liability company under section 34-255 or was a member in a
1135 company when the company became subject to sections 34-243 to 34-
1136 283d, inclusive, under section 34-243i; and (B) has not dissociated
1137 under section 34-263a.

1138 (19) "Member-managed limited liability company" means a limited
1139 liability company that is not a manager-managed limited liability
1140 company.

1141 (20) "Operating agreement" means the agreement, whether or not
1142 referred to as an operating agreement and whether oral, implied, in a
1143 record or in any combination thereof, of all the members of a limited
1144 liability company, including a sole member, concerning the matters
1145 described in subsection (a) of section 34-243d. "Operating agreement"
1146 includes the agreement as amended or restated.

1147 (21) "Organizer" means a person that acts under section 34-247 to
1148 form a limited liability company.

1149 (22) "Person" means an individual, business corporation, nonprofit
1150 corporation, partnership, limited partnership, limited liability
1151 company, foreign limited liability company, cooperative association,
1152 limited cooperative association, unincorporated nonprofit association,
1153 statutory trust, business trust, common law business trust, estate, trust,
1154 association, joint venture, public corporation, government or
1155 governmental subdivision, agency or instrumentality, or any other
1156 domestic or foreign legal or commercial entity.

1157 (23) "Principal office" means the principal executive office of a
1158 limited liability company or foreign limited liability company, whether
1159 or not the office is located in this state.

1160 (24) "Professional service" means any type of service to the public
1161 that requires members of a profession rendering such service to obtain
1162 a license or other legal authorization as a condition precedent to the
1163 rendition thereof, limited to the professional services rendered by

1164 dentists, naturopaths, chiropractors, physicians and surgeons,
1165 physician assistants, doctors of dentistry, physical therapists,
1166 occupational therapists, podiatrists, optometrists, nurses, nurse-
1167 midwives, veterinarians, pharmacists, architects, professional
1168 engineers, or jointly by architects and professional engineers,
1169 landscape architects, real estate brokers, insurance producers, certified
1170 public accountants and public accountants, land surveyors,
1171 psychologists, attorneys-at-law, licensed marital and family therapists,
1172 licensed professional counselors, licensed or certified alcohol and drug
1173 counselors and licensed clinical social workers.

1174 (25) "Property" means all property, whether real, personal, or mixed
1175 or tangible or intangible, or any right or interest therein.

1176 (26) "Record", when used as a noun, means information that is
1177 inscribed on a tangible medium or that is stored in an electronic or
1178 other medium and is retrievable in perceivable form.

1179 (27) "Registered agent" means an agent of a limited liability
1180 company or foreign limited liability company which is authorized to
1181 receive service of any process, notice, or demand required or permitted
1182 by law to be served on the company.

1183 (28) "Registered foreign limited liability company" means a foreign
1184 limited liability company that is registered to do business in this state
1185 pursuant to a certificate of registration filed by the Secretary of the
1186 State.

1187 (29) "Sign" means, with the present intent to authenticate or adopt a
1188 record: (A) To execute or adopt a tangible symbol; or (B) to attach to or
1189 logically associate with the record an electronic symbol, sound or
1190 process.

1191 (30) "State", when used as a noun, means a state of the United States,
1192 the District of Columbia, Puerto Rico, the United States Virgin Islands,
1193 or any territory or insular possession subject to the jurisdiction of the
1194 United States.

1195 (31) "Transfer" includes: (A) An assignment; (B) a conveyance; (C) a
1196 sale; (D) a lease; (E) an encumbrance, including a mortgage or security
1197 interest; (F) a gift; and (G) a transfer by operation of law.

1198 (32) "Transferable interest" means the right, as initially owned by a
1199 person in the person's capacity as a member, to receive distributions
1200 from a limited liability company, whether or not the person remains a
1201 member or continues to own any part of the right. "Transferable
1202 interest" applies to any fraction of the interest, by whomever owned.

1203 (33) "Transferee" means a person to which all or part of a
1204 transferable interest has been transferred, whether or not the transferor
1205 is a member. "Transferee" includes a person that owns a transferable
1206 interest under subdivision (3) of subsection (a) of section 34-263b.

1207 (34) "Two-thirds in interest of the members" means the members
1208 owning at least two-thirds of the transferable interests of the limited
1209 liability company, excluding any transferable interests not owned by
1210 the members; except that if it is not possible to determine which
1211 members own at least two-thirds of the transferable interests based on
1212 the operating agreement of the limited liability company, two-thirds in
1213 interest of the members means the members who would receive at
1214 least two-thirds of the distributions with respect to the dissolution of
1215 the limited liability company at the time of the vote if there would be
1216 such distributions, or if there would not be such distributions, two-
1217 thirds in interest of the members means the members who at the time
1218 of the vote contributed at least two-thirds of the unreturned capital
1219 contributions made to the limited liability company since the date of
1220 formation of the limited liability company.

1221 Sec. 44. Section 34-247f of the general statutes is repealed and the
1222 following is substituted in lieu thereof (*Effective October 1, 2019*):

1223 Except as provided in section 34-247g and subject to the provisions
1224 of subsection (c) of section 34-247h, a certificate of organization is
1225 effective and a foreign registration certificate is effective on the date

1226 and at the time of its filing by the Secretary of the State, as provided in
1227 section 34-247e. Each other record filed under sections 34-243 to 34-
1228 283d, inclusive, or under sections 1 to 42, inclusive, of this act, is
1229 effective on the later of:

1230 (1) On the date and at the time of its filing by the Secretary of the
1231 State, as provided in section 34-247e;

1232 (2) On the date of filing and at the time specified in the record as its
1233 effective time, if later than the time under subdivision (1) of this
1234 section;

1235 (3) At a specified delayed effective date and time, which may not be
1236 more than ninety days after the date of filing; or

1237 (4) If a delayed effective date is specified, but no time is specified, at
1238 12:01 a.m. on the date specified, which may not be more than ninety
1239 days after the date of filing.

1240 Sec. 45. Section 34-275 of the general statutes is repealed and the
1241 following is substituted in lieu thereof (*Effective October 1, 2019*):

1242 (a) The law of the governing jurisdiction of a foreign limited liability
1243 company governs: (1) The internal affairs of the company; (2) subject to
1244 sections 21 and 23 of this act, the liability of a member as member and
1245 a manager as manager for a debt, obligation or other liability of the
1246 company; and (3) subject to sections 21 and 23 of this act, the liability
1247 of a series of the company.

1248 (b) A foreign limited liability company is not precluded from
1249 registering to transact business in this state because of any difference
1250 between the law of the governing jurisdiction and the law of this state.

1251 (c) Registration of a foreign limited liability company to transact
1252 business in this state does not authorize the foreign company to
1253 engage in any activities or affairs or exercise any power in this state
1254 that a limited liability company may not engage in or exercise in this

1255 state.

1256 Sec. 46. Section 34-600 of the general statutes is repealed and the
1257 following is substituted in lieu thereof (*Effective October 1, 2019*):

1258 As used in this chapter and sections 1 to 42, inclusive, of this act:

1259 (1) "Acquired entity" means the entity, all of one or more classes or
1260 series of interests of which are acquired in an interest exchange.

1261 (2) "Acquiring entity" means the entity that acquires all of one or
1262 more classes or series of interests of the acquired entity in an interest
1263 exchange.

1264 (3) "Approve" means, in the case of an entity, for its governors and
1265 interest holders to take whatever steps are necessary under its organic
1266 rules, organic law and other law to (A) propose a transaction subject to
1267 this chapter; (B) adopt and approve the terms and conditions of the
1268 transaction; and (C) conduct any required proceedings or otherwise
1269 obtain any required votes or consents of the governors or interest
1270 holders.

1271 (4) "Business corporation" means a corporation whose internal
1272 affairs are governed by chapter 601 or a professional service
1273 corporation governed by chapter 594a.

1274 (5) "Conversion" means a transaction authorized by part IV of this
1275 chapter.

1276 (6) "Converted entity" means the converting entity as it continues in
1277 existence after a conversion.

1278 (7) "Converting entity" means the domestic entity that approves a
1279 plan of conversion pursuant to section 34-633 or the foreign entity that
1280 approves a conversion pursuant to the law of its jurisdiction of
1281 organization.

1282 (8) "Domestic entity", unless the context otherwise requires, means

1283 an entity whose internal affairs are governed by the law of this state.

1284 (9) "Domesticated entity" means the domesticating entity as it
1285 continues in existence after a domestication.

1286 (10) "Domesticating entity" means the domestic entity that approves
1287 a plan of domestication pursuant to section 34-643 or the foreign entity
1288 that approves a domestication pursuant to the law of its jurisdiction of
1289 organization.

1290 (11) "Domestication" means a transaction authorized by part V of
1291 this chapter.

1292 (12) "Entity", unless the context otherwise requires, means (A) a
1293 business corporation; (B) a nonprofit corporation; (C) a general
1294 partnership, including a limited liability partnership; (D) a limited
1295 partnership, including a limited liability limited partnership; (E) a
1296 limited liability company; (F) a business trust or statutory trust entity;
1297 (G) an unincorporated nonprofit association; (H) a cooperative; or (I)
1298 any other person who has a separate legal existence or the power to
1299 acquire an interest in real property in his or her own name other than
1300 (i) an individual; (ii) a testamentary, inter vivos or charitable trust,
1301 with the exception of a business trust, statutory trust entity or similar
1302 trust; (iii) an association or relationship that is not a partnership solely
1303 by reason of the law of any other jurisdiction; (iv) a decedent's estate;
1304 or (v) a government, a governmental subdivision, agency or
1305 instrumentality, or a quasi-governmental instrumentality.

1306 (13) "Filing entity" means an entity that is created by the filing of a
1307 public organic document.

1308 (14) "Foreign entity" means an entity other than a domestic entity.

1309 (15) "Governance interest" means the right under the organic law or
1310 organic rules of an entity, other than as a governor, agent, assignee or
1311 proxy, to (A) receive or demand access to information concerning, or
1312 the books and records of, the entity; (B) vote for the election of the

1313 governors of the entity; or (C) receive notice of or vote on any or all
1314 issues involving the internal affairs of the entity.

1315 (16) "Governor" means a person by or under whose authority the
1316 powers of an entity are exercised and under whose direction the
1317 business and affairs of the entity are managed pursuant to the organic
1318 law and organic rules of the entity.

1319 (17) "Interest", unless the context otherwise requires, means (A) a
1320 governance interest in an unincorporated entity; (B) a transferable
1321 interest in an unincorporated entity; or (C) a share or membership in a
1322 corporation.

1323 (18) "Interest exchange" means a transaction authorized by part III
1324 of this chapter.

1325 (19) "Interest holder" means a direct holder of an interest.

1326 (20) "Interest holder liability" means (A) personal liability for a
1327 liability of an entity that is imposed on a person (i) solely by reason of
1328 the status of the person as an interest holder, or (ii) by the organic rules
1329 of the entity pursuant to a provision of the organic law authorizing the
1330 organic rules to make one or more specified interest holders or
1331 categories of interest holders liable in their capacity as interest holders
1332 for all or specified liabilities of the entity; or (B) an obligation of an
1333 interest holder under the organic rules of an entity to contribute to the
1334 entity.

1335 (21) "Jurisdiction of organization" of an entity means the jurisdiction
1336 under which the law includes the organic law of the entity.

1337 (22) "Liability" means a debt, obligation or any other liability arising
1338 in any manner, regardless of whether it is secured or contingent.

1339 (23) "Merger" means a transaction in which two or more merging
1340 entities are combined into a surviving entity pursuant to a filing with
1341 the Secretary of the State.

1342 (24) "Merging entity" means an entity that is a party to a merger and
1343 exists immediately before the merger becomes effective.

1344 (25) "Nonprofit corporation" means a corporation whose internal
1345 affairs are governed by chapter 602.

1346 (26) "Organic law" means the section of the general statutes, if any,
1347 other than this section and sections 34-601 to 34-646, inclusive,
1348 governing the internal affairs of an entity.

1349 (27) "Organic rules" means the public organic document and private
1350 organic rules of an entity.

1351 (28) "Person" means an individual, corporation, estate, trust,
1352 partnership, limited liability company, business or similar trust,
1353 association, joint venture, public corporation, government or
1354 governmental subdivision, agency or instrumentality, or any other
1355 legal or commercial entity.

1356 (29) "Plan" means a plan of merger, interest exchange, conversion or
1357 domestication.

1358 (30) "Private organic rules" means the rules, whether or not in a
1359 record, that govern the internal affairs of an entity, are binding on all
1360 of its interest holders and are not part of its public organic document,
1361 if any.

1362 (31) "Protected agreement" means (A) a record evidencing
1363 indebtedness and any related agreement in effect on or after January 1,
1364 2014; (B) an agreement that is binding on an entity on or after January
1365 1, 2014; (C) the organic rules of an entity in effect on or after January 1,
1366 2014; or (D) an agreement that is binding on any of the governors or
1367 interest holders of an entity on or after January 1, 2014.

1368 (32) "Public organic document" means the public record, the filing of
1369 which creates an entity and any amendment to or restatement of such
1370 record.

1371 (33) "Qualified foreign entity" means a foreign entity that is
1372 authorized to transact business in this state pursuant to a filing with
1373 the Secretary of the State.

1374 (34) "Record" means information that is inscribed on a tangible
1375 medium or that is stored in an electronic or other medium and is
1376 retrievable in perceivable form.

1377 (35) "Sign" or "signature" includes any manual, facsimile, conformed
1378 or electronic signature.

1379 (36) "Surviving entity" means the entity that continues in existence
1380 after a merger or that is created by a merger.

1381 (37) "Transferable interest" means the right under an entity's organic
1382 law to receive distributions from the entity.

1383 (38) "Type", with regard to an entity, means a generic form of entity
1384 (A) recognized at common law, or (B) organized under an organic law,
1385 whether or not an entity organized under such organic law is subject to
1386 the provisions of such organic law creating different categories of the
1387 form of entity.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	New section
Sec. 2	<i>October 1, 2019</i>	New section
Sec. 3	<i>October 1, 2019</i>	New section
Sec. 4	<i>October 1, 2019</i>	New section
Sec. 5	<i>October 1, 2019</i>	New section
Sec. 6	<i>October 1, 2019</i>	New section
Sec. 7	<i>October 1, 2019</i>	New section
Sec. 8	<i>October 1, 2019</i>	New section
Sec. 9	<i>October 1, 2019</i>	New section
Sec. 10	<i>October 1, 2019</i>	New section
Sec. 11	<i>October 1, 2019</i>	New section
Sec. 12	<i>October 1, 2019</i>	New section
Sec. 13	<i>October 1, 2019</i>	New section

Sec. 14	<i>October 1, 2019</i>	New section
Sec. 15	<i>October 1, 2019</i>	New section
Sec. 16	<i>October 1, 2019</i>	New section
Sec. 17	<i>October 1, 2019</i>	New section
Sec. 18	<i>October 1, 2019</i>	New section
Sec. 19	<i>October 1, 2019</i>	New section
Sec. 20	<i>October 1, 2019</i>	New section
Sec. 21	<i>October 1, 2019</i>	New section
Sec. 22	<i>October 1, 2019</i>	New section
Sec. 23	<i>October 1, 2019</i>	New section
Sec. 24	<i>October 1, 2019</i>	New section
Sec. 25	<i>October 1, 2019</i>	New section
Sec. 26	<i>October 1, 2019</i>	New section
Sec. 27	<i>October 1, 2019</i>	New section
Sec. 28	<i>October 1, 2019</i>	New section
Sec. 29	<i>October 1, 2019</i>	New section
Sec. 30	<i>October 1, 2019</i>	New section
Sec. 31	<i>October 1, 2019</i>	New section
Sec. 32	<i>October 1, 2019</i>	New section
Sec. 33	<i>October 1, 2019</i>	New section
Sec. 34	<i>October 1, 2019</i>	New section
Sec. 35	<i>October 1, 2019</i>	New section
Sec. 36	<i>October 1, 2019</i>	New section
Sec. 37	<i>October 1, 2019</i>	New section
Sec. 38	<i>October 1, 2019</i>	New section
Sec. 39	<i>October 1, 2019</i>	New section
Sec. 40	<i>October 1, 2019</i>	New section
Sec. 41	<i>October 1, 2019</i>	New section
Sec. 42	<i>October 1, 2019</i>	New section
Sec. 43	<i>October 1, 2019</i>	34-243a
Sec. 44	<i>October 1, 2019</i>	34-247f
Sec. 45	<i>October 1, 2019</i>	34-275
Sec. 46	<i>October 1, 2019</i>	34-600

Statement of Legislative Commissioners:

In Section 17(c), "protected-" was inserted before "series transferable interest" for consistency with the defined term.

JUD *Joint Favorable Subst. -LCO*