

Chapter 18

CLOSE LIMITED LIABILITY COMPANIES

Original Senate File No. 20

AN ACT relating to close limited liability companies; providing for the formation of close limited liability companies; providing for applicability of the Wyoming Limited Liability Company Act; providing for management; providing for withdrawal of members; providing for return of capital contributions of a member; providing for dissolution; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 17-25-101 through 17-25-109 are created to read:

CHAPTER 25

CLOSE LIMITED LIABILITY COMPANY SUPPLEMENT

17-25-101. Short title.

This chapter shall be known and may be cited as the "Wyoming Close Limited Liability Company Supplement."

17-25-102. Application of Wyoming Limited Liability Company Act.

(a) The Wyoming Limited Liability Company Act applies to close limited liability companies to the extent not inconsistent with the provisions of this chapter and the powers provided the secretary of state by W.S. 17-15-137 shall apply to this supplement.

(b) This chapter does not repeal or modify any statute or rule of law that is or would apply to a limited liability company that is organized under the Wyoming Limited Liability Company Act that does not elect to become a close limited liability company.

17-25-103. Definition and election of close limited liability company status.

(a) A close limited liability company is a limited liability company whose articles of organization contain a statement that the company is a close limited liability company.

(b) A limited liability company formed under W.S. 17-15-101 through 17-15-144 may convert to a close limited liability company by amending its articles of organization to include the statement required by subsection (a) of this section.

(c) A statement in substantially the following form shall appear conspicuously in the operating agreement and on any certificates of ownership in a close limited liability company:

**NOTICE OF RESTRICTIONS
ON TRANSFERS AND WITHDRAWALS**

The rights of members in a close limited liability company may differ materially from the rights of members in other limited liability companies. The Close Limited Liability Company Supplement, articles of organization, and operating agreement of a close limited liability company may restrict transfer of ownership interests, withdrawal or resignation from the company, return of capital contributions and dissolution of the company.

17-25-104. Formation.

Any person may form a close limited liability company which shall have one (1) or more members by signing and delivering one (1) original and one (1) exact or conformed copy of the articles of organization to the secretary of state for filing. The person forming the close limited liability company need not be a member of the company.

17-25-105. Articles of organization.

The articles of organization of a close limited liability company shall include a statement that the company is a close limited liability company and shall set forth the matters required by W.S. 17-15-107(a) except paragraphs (viii) and (x).

17-25-106. Management.

Management of a close limited liability company shall be vested in its members which, unless otherwise provided in the operating agreement, shall be in proportion to the division of profits and losses among members. If provision is made for it in the articles of organization, management of the company may be vested in a manager or managers who shall be appointed in the articles of organization or operating agreement or elected by the members in the manner prescribed by the operating agreement of the company. The manager or managers, or persons appointed by the manager or managers, shall also hold the offices and have the responsibilities accorded to them by the members and set out in the operating agreement of the company.

17-25-107. Withdrawal of members and return of members' contributions to capital.

(a) A member may only withdraw from a close limited liability company upon the terms and conditions set forth in the operating agreement. If no terms and conditions for withdrawal of a member are set forth in the company's operating agreement, a member may withdraw only with the consent of all other members of the company.

(b) A member shall not receive out of close limited liability company property any part of his or its contribution to capital unless:

(i) All liabilities of the company, except liabilities to members on account of their contributions to capital, have been paid or there remains property of the company sufficient to pay them; and

(ii) All members consent to such return of contributions to capital;

(iii) The company is dissolved; or

(iv) The articles of organization or operating agreement of the company otherwise provide for the return of contributions to capital.

(c) In the absence of a statement in the articles of organization to the contrary or the consent of all members of the close limited liability company, a member, irrespective of the nature of his or its contribution, has only the right to demand and receive cash in return for his or its contribution to capital.

(d) A member of a close limited liability company may not have the company dissolved for a failure to return his or its contribution to capital.

17-25-108. Dissolution.

(a) A close limited liability company organized under this chapter shall be dissolved upon the occurrence of any of the following events:

- (i) When the period fixed for the duration of the company expires;
- (ii) By the unanimous written agreement of all members; or
- (iii) At the time or upon the occurrence of events specified in the operating agreement.

(b) As soon as possible following the occurrence of any of the events specified in subsection (a) of this section causing the dissolution of a close limited liability company, the company shall execute a statement of intent to dissolve in the form prescribed by the secretary of state.

17-25-109. Applicability of flexible limited liability company.

The flexible limited liability company provisions of W.S. 17-15-144 shall not apply to a close limited liability company organized under this chapter.

Section 2. This act is effective July 1, 2000.

Approved March 10, 2000.