A

ABANDONMENT
Entity conversion, corporation into LLC conversion plan, § 9.5.E
Involuntary dissolution, attorney general actions, § 10.4.A.2

ACCOUNTING
Accrual basis, bonus compensation, § 5.2.B

ACCREDITED INVESTOR
Defined, securities registration, § 7.3.B.4

ACTIONS AND PROCEEDINGS
Derivative actions
By members, § 6.5
Special litigation committees (SECs), § 6.6
Direct actions, by members, § 6.5
Member rights, attorney fees, § 6.9.F
Right to information, § 6.7

ADMINISTRATIVE TERMINATION OF COMPANY
Failure to meet filing requirements, § 10.3

ADMINISTRATIVELY INSOLVENT
Defined, bankruptcy, § 10.7.J.1

ADVANCES
Eligibility, § 6.10

AGENTS AND AGENCY
Board management, appointment, § 4.5.D.1
Disclosure, employing lawyer and temporary lawyer fees, § 7.13.G
Management structure, officers and agents, § 4.2.D
Member relationship to third parties, § 4.7.A
Member rights, access to information, § 6.7
Piercing liability shield, parent/subsidiary entities, § 8.4.E
Revised Uniform Limited Liability Company Act (RULLCA), differences from Old LLC Act (Chapter 322B), § 1.5.F
Voluntary dissolution, dissolution after initial member, § 10.2.B

ANGEL INVESTOR
Defined, financing sources, § 7.9.C

ANTI-FRAUD PROVISIONS
Securities registration, § 7.6

ANTI-MIXING BOWL RULES
Taxes, contributions of property, § 2.2.G.2

ARTICLES OF INCORPORATION
Nonprofit LLCs, § 3.3.A
Old LLC Act (Chapter 322B) vs. New LLC Act (Chapter 322C), § 8.2.A.1.a
Optional provisions, § 3.3.A.2
Required provisions, § 3.3.A.1

ARTICLES OF ORGANIZATION
Articles of organization vs. operating agreement, drafting considerations, § 8.2.A.1.a
Venture capital (VC) investment, deal documents, § 7.13.G.2

ASSIGNMENT FOR BENEFIT OF CREDITORS (ABC)
Generally, § 10.6
Endorsement, court administrators, § 10.6.A.2
Receivership law provisions compared, § 10.6.A.3
Requirements of transaction, § 10.6.A.1
Revised law after Aug. 1, 2012, § 10.6.A

AT RISK
Defined, deductibility of losses, § 2.2.C.1

ATTORNEY-CLIENT RELATIONSHIP
Advising clients, § 4.2.B.1
Business vs. legal issues with VC partners, § 7.13.B
Contractual rights and fiduciary duties, § 6.1
Default rules and modification, § 4.2.C
Personal vs. company liability, § 8.3.F
Standard of conduct in agreements, § 6.3.A
Fraudulent transfers, successor liability, § 8.7.B
Identifying client, § 4.1
Member rights, access to information, § 6.7
Private capital formation, competence in complex transactions, § 7.2
Professional conduct, representation of entities, § 4.1
Temporary lawyers, VC investment deal documents, § 7.13.G

ATTORNEY FEES
Disclosure, employing lawyer and temporary lawyer fees, § 7.13.G
Member rights, § 6.9.F

ATTORNEY GENERAL
Involuntary dissolution, attorney general actions, § 10.4.A.2

AUTHORITY
Management structure, statements of authority, § 3.3.E
Member relationship to third parties, § 4.7.A
Receivers and receiverships, law prior to Aug. 1, 2012, § 10.5.A.3
Special litigation committees (SLCs), § 6.6

B

BAD ACTOR PROVISIONS
Securities registration, exemptions, § 7.7

BANKRUPTCY
Generally, § 10.7
Asset sales, § 10.7.K.2
Automatic stay, creditor relief from stay, § 10.7.I
Avoidance actions, § 10.7.K
Fraudulent transfers, § 10.7.K.2
Preference actions, § 10.7.K.1
Chapter 7 proceedings, contracts and leases, § 10.7.H.1
Chapter 11 proceedings
Contracts and leases, § 10.7.H.2
Reorganization plans, § 10.7.M
Chapter 7 vs. Chapter 11, § 10.7.A
Claim allowance process, § 10.7.J
Administrative expense claims, § 10.7.J.4
Objections, § 10.7.J.3
Priorities, § 10.7.J.1
Proof of claim, § 10.7.J.2
Schedule listings, § 10.7.J.2
Superpriorities, § 10.7.J.1
Contemporaneous exchanges, preference action defenses, § 10.7.K.1
Contracts and leases
Assumption and assignment, § 10.7.H.3
Rejection, § 10.7.H.4
Credit terms, § 10.7.G
Creditor committee, § 10.7.F
Critical vendor claim requests, § 10.7.C.5
Debtor as LLC member, § 10.7.N
Debtor in possession (DIP) loans, § 10.7.G
Disclosure statements to creditors, § 10.7.M
Equity cushion as collateral, § 10.7.G
Executory contracts, § 10.7.H
Filing considerations, § 10.7.C
   Authority to file, § 10.7.C.1
   Automatic stay, § 10.7.C.2
Financing by debtor, § 10.7.G
First meeting of creditors, § 10.7.E
503(b)(9) claims, § 10.7.C.3
LLC membership interest of debtors, § 10.7.N
New value, preference action defenses, § 10.7.K.1
Ordinary course of business transfers, preference action defenses, § 10.7.K.1
Preference action defenses, § 10.7.K.1
Reclamation claims, § 10.7.C.4
Schedules and statements, § 10.7.D
363 sales, § 10.7.K.2
20-day claims, § 10.7.C.3
Voluntary vs. involuntary filings, § 10.7.B

BANKRUPTCY-REMOTE ENTITIES
Bankruptcy filing considerations, authority to file, § 10.7.C.1

BASIS
Adjustments and membership interest
   Death, sales or exchanges, § 2.2.D.6.a
   Distribution of LLC property, § 2.2.D.6.b
   Timing, § 2.2.D.5
Bankruptcy, distributions, § 10.5.B.6
Contributions and distributions, § 2.2.D.5
   Allocation of tax items to property, § 2.2.G.1
   Carryover basis, § 2.2.E.1
   Encumbered property, § 2.2.E.1.a
   Guaranteed payments to members, § 2.2.F.6
   To investment companies, § 2.2.E.1.b
   Liquidating distributions, § 2.2.F.3
Deductibility of losses
   Limitations, § 2.2.C.1
   Loss greater than basis, § 2.2.C.2
Equity conversions
   Assets over form, § 9.2.B.1
   Assets up form, § 9.2.B.2
   Corporation conversion to LLC, § 9.5.H
Inside vs. outside basis, § 2.2.D.1
Member basis in membership interest
   Determination, § 2.2.D.3
   Liability effect, § 2.2.D.4
Mergers, corporation into LLC, § 9.7.A
Nonrecourse liabilities, § 2.2.D.4
Partner basis in partnership interest, § 2.2.D.2
Pass-through losses, § 2.2.A.3
Sales of member interest, computation of basis, § 2.2.J.1
Step ups by transfer or distribution, § 2.2.D.6
Taxes, § 2.2.D
Timing, adjustments and membership interest, § 2.2.D.5
Year-end adjustments, § 2.2.D.5

BENEFIT PLANS
Employee Retirement Income Security Act (ERISA), executive compensation, § 5.4.D
Excess benefit plans, ERISA exemptions, § 5.5.C.4
Executive compensation, § 5.4.B
Nonqualified deferred compensation arrangements, exempt arrangements, § 5.5.B.3

BLUE SKY LAWS
State exemptions from securities registration, § 7.4

BOARD MANAGEMENT
Generally, § 4.5
Actions of board, § 4.5.C
   Without meetings, § 4.5.C.2.e
Appointment
   Officers and agents, § 4.5.D.1
   President or CEO, § 4.5.D.2
   Special litigation committees (SLCs), § 6.6
   Treasurer or CFO, § 4.5.D.3
Board meetings, § 4.5.C.1
   Notice, § 4.5.C.2
Board of governors
   Classification, § 4.5.B.5
   Dissociation from company, § 4.5.B.1
   Election of governors, § 4.5.B.4
   Number of, § 4.5.B.2
   Qualifications, § 4.5.B.1
   Removal, § 4.5.B.7
   Requirements, § 4.5.B
   Resignation, § 4.5.B.6
   Terms, § 4.5.B.3
   Vacancies, § 4.5.B.8
   Business judgment rule, duty of care, § 6.3.A
   Default rules, § 4.5.A
   Dissociation from company
      Continuing obligations of member, § 4.5.F
      Members vs. governors, § 4.5.E
   Duty of care, § 6.3.A
   Duty of loyalty, § 6.3.B
   Fiduciary duties, liability, § 8.3.H
   Good faith and fair dealing duty, § 6.3.C
   Good faith and honesty, fiduciary duties, § 6.3
   Meetings, § 4.5.C
      Minutes, § 4.5.C.2.f
      Remote communications, § 4.5.C.2.d
   Member rights, right to information, § 6.7
   Minutes, board meetings, § 4.5.C.2.f
   Officers and agents, appointment, § 4.5.D.1
   Operating agreements, § 4.2.B.1, § 4.5.A
   Powers and duties, § 4.2.C
   Ordinary course matters, quorum, § 4.5.C.2.b
   Out of ordinary course matters, member approval, § 4.5.C.2.c
   Requirements, board members, § 4.5.B
   Structure, § 3.3.C.3

BOARD OF GOVERNORS
Advances, eligibility, § 6.10
Classification, § 4.5.B.5
Compensation, voting rights, § 5.2.B
Continuing obligations, dissociation from company, § 4.5.F
Dissociation from company, § 4.5.B.1, § 4.5.E
Duty of loyalty, § 6.3.B
Election of governors, § 4.5.B.4
Fiduciary duties, § 6.3
  Liability, § 8.3.H
Good faith and fair dealing duty, § 6.3.C
Indemnification, § 6.10
Meetings
  Actions without, § 4.5.C.2.e
  Minutes, § 4.5.C.2.f
  Notice, § 4.5.C.2
  Remote communications, § 4.5.C.2.d
  Timing, § 4.5.C.1
Nonqualified deferred compensation arrangements, application of law, § 5.5.B.1
Notice, waiver of, § 4.5.C.2.a
Number of, § 4.5.B.2
Ordinary course matters, quorum, § 4.5.C.2.b
Out of ordinary course matters, member approval, § 4.5.C.2.c
Powers and duties, § 3.3.C.3
Qualifications, § 4.5.B.1
Removal, § 4.5.B.7
Requirements, § 4.5.B
Resignation, § 4.5.B.6
Special litigation committees (SLCs), relationship to, § 6.6
Standard of conduct, § 6.3.A
Terms, § 4.5.B.3
Vacancies, § 4.5.B.8
BONDS
Receivers and receiverships, law prior to Aug. 1, 2012, § 10.5.A.4.a
BONUSES
Executive compensation, § 5.2.B
ERISA application, § 5.5.C.2
Signing bonuses structured as loans, § 5.2.C.1
BOOTSTRAPPING
Defined, financing sources, § 7.9.A
BUSINESS INCOME
Self-employment taxes, § 2.2.I
BUSINESS JUDGMENT RULE
Management structure, duty of care, § 6.3.A
Special litigation committees (SLCs), § 6.6
Impact of decision, § 6.6.B
BUSINESS PLAN
Generally, § 7.10.A
Venture capital (VC) investors, considerations, § 7.13.D
BUSINESS PURPOSE
Articles of incorporation, § 3.3.A
BUY-SELL PROVISIONS
Transfer of membership interests, § 3.3.D
BUYOUT PROVISIONS
Old law vs. new law, § 6.4
C
CAPITAL ACCOUNTS
  Book ups and book downs, § 2.2.B.3
  Taxes, safe harbor, § 2.2.B.3
CAPITAL FORMATION. See PRIVATE CAPITAL FORMATION
CAPITAL GAINS
  Entity conversion, corporation into LLC tax treatment, § 9.5.H
  Profits interests for services provided, § 5.3.B
CAPITAL INTERESTS
For contribution of services, § 2.2.E.2
Defined, taxes on contributions, § 2.2.E.2
Equity-based compensation, purchase LLC units for service, § 5.3.D
Executive compensation, services provided, § 5.3.A
LLC taxation as partnership, equity compensation, § 2.2.L.1
Nonqualified deferred compensation arrangements, exempt arrangements, § 5.5.B.3
CEO (CHIEF EXECUTIVE OFFICER)
Board management, appointment, § 4.5.D.2
Executive compensation, §§ 5.1 to 5.5
CFO (CHIEF FINANCIAL OFFICER)
Board management, appointment, § 4.5.D.3
Executive compensation, §§ 5.1 to 5.5
CHAPTER 322B (OLD LLC ACT). See OLD LLC ACT (CHAPTER 322B)
CHAPTER 322C (NEW LLC ACT). See NEW LLC ACT (CHAPTER 322C)
CHIEF EXECUTIVE OFFICER (CEO)
Board management, appointment, § 4.5.D.2
Executive compensation, §§ 5.1 to 5.5
CHIEF FINANCIAL OFFICER (CFO)
Board management, appointment, § 4.5.D.3
Executive compensation, §§ 5.1 to 5.5
CLEAN HANDS DOCTRINE
Piercing liability shield, relationship of plaintiff to company factors, § 8.4.C.2.f
CLOSELY-HELD CORPORATION LAW GUIDANCE
Fiduciary duties, liability, § 8.3.H
COBRA (CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT)
Executive compensation, health benefits, § 5.4.B.1
COMMUNICATIONS
Board meetings
  Notice, § 4.5.C.2
  Remote communications, § 4.5.C.2.d
COMPENSATION
Bonuses, § 5.2.B
Deferred compensation, § 5.2.B
Executive compensation (See EXECUTIVE COMPENSATION)
LLC taxation as partnership, equity compensation, § 2.2.L, § 2.2.L.3
Managers and members, services performed, § 4.9
Member-employee, base and bonus compensation, § 5.2.B
Members, as guaranteed payments for taxes, § 2.2.H.2
Profits interests, Rule 701 exemptions from securities registration, § 7.3.C
Taxes, Schedule K-1, § 2.2.H.4

CONDUCT
Defined, involuntary dissolution, § 10.4.A.1.b

CONSENT
Meetings, who may call, § 4.6
Members, actions requiring consent, § 4.6

CONSIDERATION
Non-compete agreements, § 5.2.E

CONTRACTUAL OBLIGATIONS
Bankruptcy, executory contracts, § 10.7.H
Entity conversion, advantages of LLC, § 9.2.A
Good faith and fair dealing duty, § 6.3.C
Investment contracts, private capital formation, § 7.2.A
Promoter liability, companies yet to be formed, § 8.3.G

CONTRIBUTIONS
Generally, § 2.2.E
Bankruptcy, claim priorities, § 10.7.J.1
Conversion
Corporation to LLC, § 9.4.B, § 9.5.H
LLC to corporation, § 9.6
Old methods of conversion, § 9.1.A
Tax paradigms, § 9.2.B
Crowdfunding, § 7.3.D
Default rights, profits and distributions, § 1.5.C
Dissolution and winding up, return of contribution, § 10.2.C.2
Executive compensation, capital interest grant for services, § 5.3.A
Fiduciary duties, liability, § 8.3.H
Liability
Failure to make contribution, § 8.3.H
Fiduciary duties, § 8.3.H
Illegal distributions, § 8.3.D

LLCs taxed as partnerships
Allocation of tax items, § 2.2.G.1
Anti-mixing bowl rules, § 2.2.G.2
Basis calculation, § 2.2.D.3
Capital accounts and maintenance, § 2.2.B.3
Capital interests for service contributions, § 2.2.E.2
Disguised sales, § 2.2.E.4
Partner interests, § 2.2.B.4
Profits interests for service contributions, § 2.2.E.3
Property contributions, § 2.2.E.1
Sale or exchange determination, § 2.2.K.1
Member management, effect of contribution, § 3.3.C.1, § 4.3.B
Piercing liability shield, clearly marking contribution, § 8.4.C.2.a
Venture capital (VC) investments, priorities and preferences, § 7.13.F.5

CONVERSION. See ENTITY CONVERSION

CORPORATE LAW GUIDANCE
Corporation into LLC conversion, effect on shareholders, § 9.5.G
Entity conversion, corporation into LLC, § 9.5
History of LLCs, § 9.1.A

Indemnification, eligibility, § 6.10
LLC taxation as corporation
C corporation status, § 2.4.B
S corporation status, § 2.4.C
Mergers
Corporation into LLC, § 9.7
LLC into corporation, § 9.8.A
Receivers and receiverships, grounds for appointment, § 10.5.A.1
Special litigation committees (SLCs), § 6.6
Impact of decision, § 6.6.B
Taxes
Check-the-box regulations, § 2.1.A
LLC taxation as corporation, § 2.4

COURT ADMINISTRATORS
Assignment for benefit of creditors (ABC), endorsement, § 10.6.A.2

COVENANTS NOT TO COMPETE
Consideration, § 5.2.E
Employment agreements, § 5.2.E

CREDITOR CLAIMS
Assignment for benefit of creditors (ABC), § 10.6
Bankruptcy, § 10.7
Automatic stay, § 10.7.C.2
Claims allowance process, § 10.7.J
Creditor committee, § 10.7.F
Critical vendor claim requests, § 10.7.C.5
Disclosure statements, § 10.7.M
First meeting of creditors, § 10.7.E
503(b)(9) claims, § 10.7.E
Reclamation claims, § 10.7.C.4
Relief from automatic stay, § 10.7.I
Schedules and statements, § 10.7.D
Receivers and receiverships
Law prior to Aug. 1, 2012, § 10.5.A.4.b
Revised law after Aug. 1, 2012, § 10.5.B.6
Voluntary dissolution, notice to claimants, § 10.2.D

CRIMINAL CONDUCT
Indemnification, eligibility, § 6.10
Involuntary dissolution, member actions dissolving, § 10.4.A.1.b

CRITICAL VENDOR CLAIMS
Bankruptcy, § 10.7.C.5

CROWDFUNDING
Federal exemptions from securities registration, regulation crowdfunding, § 7.3.D
State exemptions from securities registration
Equity crowdfunding, § 7.4
MNvest, § 7.4.D

D

DE FACTO CORPORATION DOCTRINE
Application, entity by estoppel, § 8.6.B

DEATH
Basis, step ups, § 2.2.D.6.a

DEBTOR IN POSSESSION (DIP) LOANS
Bankruptcy, § 10.7.G
DEBTS
Liability, members, § 4.7.C

DECISION MAKING
Member management, ordinary course matters, § 4.3.C

DEFAULT PROFITS
Revised Uniform Limited Liability Company Act (RULLCA), differences from Old LLC Act (Chapter 322B), § 1.5.C

DEFAULT RULES
Board management, § 4.5.A
Board of governors
Removal, § 4.5.B.7
Resignation, § 4.5.B.6
Member management, § 4.2.B
Modification, § 4.2.B.2
New LLC Act (Chapter 322C), § 8.2.A.1.a
Modification, non-governance rules, § 4.2.B.2
Operating agreements, amending, § 4.3.E
Out of ordinary course matters, identification, § 4.3.D

DEFAULT VOTING RIGHTS
Revised Uniform Limited Liability Company Act (RULLCA), differences from Old LLC Act (Chapter 322B), § 1.5.D

DEFERRED COMPENSATION
Defined, Internal Revenue Code, § 5.5.B.1
Executive compensation, § 5.2.B
Nonqualified deferred compensation arrangements, § 5.5
Qualified retirement plans, § 5.4.A
Top hat plans, § 5.5.C.3
Member-employee, capital interests vs. deferred compensation, § 5.3.A
Nonqualified deferred compensation arrangements
Control of payment, § 5.5.B.1
Exempt arrangements, § 5.5.B.3
FICA taxes, § 5.5.E
Informal funding, § 5.5.D
Noncompliance with Section 409A, § 5.5.B.5
Rabbi trusts, § 5.5.D.2
Re-deferrals, § 5.5.B.4.iii
Section 409A requirements, § 5.5.B.4
Short-term deferral exemption, § 5.5.B.3
Unfunded plans, § 5.5.D.1
Phantom units, executive compensation, § 5.3.E
Profits interests for services provided, § 5.3.B
Severance pay, executive compensation, § 5.2.D

DEFINITIONS
Accredited investor, securities registration, § 7.3.B.4
Administratively insolvent, bankruptcy, § 10.7.I.1
Angel investor, financing sources, § 7.9.C
At risk, deductibility of losses, § 2.2.C.1
Bootstrapping, financing sources, § 7.9.A
Capital interest, taxes on contributions, § 2.2.E.2
Conduct, involuntary dissolution, § 10.4.A.1.b
Deferred compensation, Internal Revenue Code, § 5.5.B.2
Demand registration rights, venture capital (VC) investments, § 7.13.G.3
Double-trigger arrangements, golden parachute, § 5.2.C.3
Drag-along provision, venture capital (VC) investment, § 7.13.G.3
Economic effect, allocation of income/loss, § 2.2.B.2
Employee, executive compensation, § 5.1
Employee welfare benefit plan, ERISA, § 5.4.D.2
Executive, executive compensation, § 5.1
Fair value, § 6.9.C
Golden handcuff, executive compensation, § 5.2.C.2
Golden parachute, executive compensation, § 5.2.C.3
Guaranteed payments, distribution taxes, § 2.2.F.6
Hot assets, distribution taxes, § 2.2.F.5
Inside basis, § 2.2.D.1
Institutional investors, state exemptions from securities registration, § 7.4.C
Key-person insurance, executive compensation, § 5.4.B.2
Liability, taxes, § 2.2.D.4
Liquidating distribution, taxes, § 2.2.F.3
Material fact, anti-fraud provisions, § 7.6
Materially participate, deductibility of losses, § 2.2.C.2
Member-employee, executive compensation, § 5.1
Net earnings from self-employment, § 2.2.I.1
Nonliquidating distribution, taxes, § 2.2.F.2
Nonrecourse liability, § 2.2.D.4.b
Operating agreement, § 3.3.B, § 6.1
Oppressive, § 6.4
Involuntary dissolution, § 10.4.A.1.b
Outside basis, § 2.2.D.1
Partnership agreements, tax effect, § 2.2.B.1
Pension plan, ERISA, § 5.4.D.1
Phantom units, executive compensation, § 5.3.E
Piggyback registration rights, venture capital (VC) investments, § 7.13.G.3
Preferences, bankruptcy, § 10.7.K.1
Private capital formation, § 7.1
Profits interest, taxes on contributions, § 2.2.E.3
Qualified, qualified retirement plans, § 5.4.A
Record, § 1.5.A
Recourse liability, § 2.2.D.4.a
Responsible person, payroll tax withholding, § 8.3.B.1.a
At risk, deductibility of losses, § 2.2.C.1
S corporation, taxes, § 2.4.C.1
Security, private capital formation, § 7.2.A
Shifting tax consequences, allocation of income/loss, § 2.2.B.2
Short-form registration rights, venture capital (VC) investments, § 7.13.G.3
Single-trigger arrangements, golden parachute, § 5.2.C.3
Split-dollar insurance, executive compensation, § 5.4.B.2
Substantial economic effect, allocation of income/loss, § 2.2.B.2
Top hat plan, ERISA application, § 5.5.C.3
Transitory tax consequences, allocation of income/loss, § 2.2.B.2
Unit appreciation rights (UAR), executive compensation, § 5.3.F
Venture capital (VC), § 7.13

DEMAND REGISTRATION RIGHTS
Defined, venture capital (VC) investments, § 7.13.G.3

DERIVATIVE ACTIONS
Special litigation committees (SLCs), § 6.6

DIRECT ACTIONS
By members, § 6.5
DISCLOSURE
   Employee Retirement Income Security Act (ERISA), qualified pension and welfare plans, § 5.4.D
   Employing lawyer and temporary lawyer fees, § 7.13.G
   Executive compensation, qualified pension and welfare plans, § 5.4.D

DISCRIMINATION
   Patient Protection and Affordable Care Act (PPACA), § 5.4.B.1

DISREGARDED ENTITIES
   Employer payroll tax withholding, § 8.3.B.5
   LLC taxation as disregarded entities, § 2.3
      Adding member to single-member LLC, § 2.3.B
   Taxes, single-member LLCs, § 2.1.A.3

DISSENTER RIGHTS
   Revised Uniform Limited Liability Company Act (RULLCA), differences from Old LLC Act (Chapter 322B), § 1.5.E

DISSOCIATION
   Member rights, remedies, § 6.9.A
   Wrongful dissociation, liability, § 8.3.H

DISSOLUTION
   Generally, §§ 10.1 to 10.4
   Administrative termination, § 10.3
   Involuntary dissolution, § 10.4
   Management structure, effect on management rights, § 4.8
   Member rights, remedies, § 6.9.B
   Methods of dissolution, § 10.1
   Reasons for dissolution, § 10.1
   Voluntary dissolution, § 10.2

DISTRIBUTION RIGHTS
   Liability, illegal distributions, § 8.3.D
   Revised Uniform Limited Liability Company Act (RULLCA), differences from Old LLC Act (Chapter 322B), § 1.5.C
   Venture capital (VC) investment, ranking and priority terms, § 7.13.F.5

DISTRIBUTIONS
   Basis, step ups, § 2.2.D.6.b
   Disguised sales, contributions of property, § 2.2.E.4
   LLC taxation as partnership, distributions/payments to members, § 2.2.F.1
   Receivers and receiverships, revised law after Aug. 1, 2012, § 10.5.B.6

DIVIDENDS
   Venture capital (VC), dividend terms, § 7.13.F.4

DOCUMENTS
   Articles of incorporation, § 3.3.A
   Business plan, § 7.10.A
   Federal employer identification number (EIN), Form SS-4, § 3.4.A.1
   Formation process, § 3.3
   Management structure, § 3.3.C
   Statements of authority, § 3.3.E
   Member rights, right to information, § 6.7
   Offering documents, § 7.10.B
   Operating agreements, § 3.3.B
   State tax identification number, § 3.4.A.2

   Venture capital (VC), deal documents, § 7.13.G

DOMICILE
   Entity change of domicile, § 9.10
   Venture capital (VC) investment, foreign law concerns, § 7.13.F.1

DOUBLE-TRIGGER ARRANGEMENTS
   Defined, golden parachute, § 5.2.C.3

DRAG-ALONG PROVISIONS
   Defined, venture capital (VC) investment, § 7.13.G.3

DUE DILIGENCE
   Venture capital (VC)
      Entrepreneur perspective, § 7.13.B
      Negatives for VC investors, § 7.13.D
      Pre-money evaluation of company, § 7.13.E

DUTY OF CARE
   Alteration by agreement, § 6.3.A
   Governing group, § 6.3.A

DUTY OF FAIR DEALING
   Managers, member-employee, § 5.2.E
   Members, § 6.3.C
   Operating agreements, § 6.2

DUTY OF GOOD FAITH
   Managers, member-employee, § 5.2.E
   Members, § 6.3.C
   Operating agreements, § 6.2
   Special litigation committees (SLCs), totality of circumstances view, § 6.6.B

DUTY OF LOYALTY
   Governing groups, § 6.3.B

E

E-MAIL
   Board meetings, notice, § 4.5.C.2

ECONOMIC EFFECT
   Defined, allocation of income/loss, § 2.2.B.2

ELECTRONIC MAIL
   Board meetings, notice, § 4.5.C.2

EMBEZZLEMENT
   Trust funds, employer payroll tax withholding effect, § 8.3.B.3

EMPLOYEE
   Defined, executive compensation, § 5.1
   Nonqualified deferred compensation arrangements, application of law, § 5.5.B.1
   S corporation status, shareholder employees, § 2.4.C.4

EMPLOYEE BENEFIT PLANS
   Employee Retirement Income Security Act (ERISA), executive compensation, § 5.4.D
   Executive compensation, § 5.4.B
   Life insurance, § 5.4.B.2
   Rule 701, exemptions from securities registration, § 7.3.C

EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA), See ERISA (EMPLOYEE RETIREMENT INCOME SECURITY ACT)
EMPLOYEE WELFARE BENEFIT PLAN
Defined, ERISA, § 5.4.D.2
Excess benefit plans, ERISA exemptions, § 5.5.C.4
Nonqualified deferred compensation arrangements, exempt arrangements, § 5.5.B.3

EMPLOYER PAYROLL TAX WITHHOLDING
Encumbered funds, avoiding liability, § 8.3.B.3
Exceptions to limited liability, § 8.3.B
Liability
Disregarded entities, § 8.3.B.5
Scope, § 8.3.B.4
Willfulness test, § 8.3.B.2
Penalties, assessment against responsible persons, § 8.3.B.1

EMPLOYMENT AGREEMENTS
Covenants not to compete, § 5.2.E
Executive compensation, § 5.2.A
Trade secrets, nondisclosure, § 5.2.E

EMPLOYMENT-AT-WILL
Terms of employment, § 5.2

ENCUMBERED FUNDS
Payroll taxes, avoiding liability, § 8.3.B.3

ENTITY BY ESTOPPEL
Generally, § 8.6

ENTITY CONVERSION. See also MERGERS
Generally, §§ 9.1 to 9.10
Advantages of LLC, § 9.2.A
Articles of conversion, corporation into LLC, § 9.5.C
Change of domicile, § 9.10
Method for change, § 9.10.B
Reasons for change, § 9.10.A
Changes in law, § 9.1.A
Corporation into LLC, § 9.5
Abandonment of plan, § 9.5.E
Articles of conversion, § 9.5.C
Board approval, § 9.5.B
Effect on shareholders, § 9.5.G
Effective date, § 9.5.F
Effective date of conversion, § 9.5.D
Impact of converting, § 9.5.F
Requirements for plan of conversion, § 9.5.A
Tax treatment, § 9.5.H
Flexibility of LLC, § 9.2.A
History of LLCs, § 9.1.A
LLC into corporation, § 9.6
LLP into LLC, § 9.9
Mergers
Corporation into LLC, § 9.7
LLC into corporation merger, § 9.8
One-member LLCs, tax treatment, § 9.3
Partnership into LLC, § 9.9
Advantages of LLC status, § 9.4.D
Contributions, § 9.4.B
Conversion methods, § 9.4.A
Tax treatment, § 9.4.E
Terms of membership interests, § 9.4.C
Reasons for conversion, § 9.1.A
Sole proprietorship into LLC, § 9.3

Taxes
Assets over form mergers, § 9.2.B.1, § 9.2.B.3
Assets up form mergers, § 9.2.B.2
LLC into corporation tax treatment, § 9.8.B
LLC into corporation treatment, § 9.6
Types of conversions, § 9.1.B

EQUITABLE RELIEF
Liability, piercing liability shield, § 8.4.A
Member rights, § 6.9.E
Dissenter rights, § 6.8
Piercing liability shield, § 8.4.A

EQUITY-BASED COMPENSATION
Nonqualified deferred compensation arrangements, application of law, § 5.5.B.2

EQUITY INTERESTS
LLC taxation as partnership, equity compensation, § 2.2.L.1
Private capital formation, § 7.2.A

ERISA (EMPLOYEE RETIREMENT INCOME SECURITY ACT)
Disclosure, qualified pension and welfare plans, § 5.4.D
Executive compensation, § 5.1
Qualified pension and welfare plans, § 5.4.D
Top hat plan, § 5.5.C.3
Nonqualified deferred compensation arrangements, application of law, § 5.5.C
Qualified retirement plans, member-employees, § 5.4.A
Successor liability, § 8.7.C

ETHICS
Advising clients, § 4.2.B.1
Business vs. legal issues with VC partners, § 7.13.B
Personal vs. company liability, § 8.3.F
Fraudulent transfers, successor liability, § 8.7.B
Private capital formation, competence in complex transactions, § 7.2
Representation of entities, § 4.1

EXCESS BENEFIT PLANS
Executive compensation, ERISA exemptions, § 5.5.C.4

EXECUTIVE
Defined, executive compensation, § 5.1

EXECUTIVE COMPENSATION
Generally, §§ 5.1 to 5.5
Base and bonus compensation, § 5.2.B
Benefit plans, § 5.4.B
Bonuses, ERISA application, § 5.5.C.2
Capital interests, services provided, § 5.3.A
Capital interests vs. profits interests, § 5.3
COBRA benefits, § 5.4.B.1
Deferred compensation, § 5.2.B
Phantom units, § 5.3.E
Election of tax treatment, profits interests for services provided, § 5.3.B
Employee Retirement Income Security Act (ERISA), § 5.1
Employee welfare benefit plan, ERISA application, § 5.4.D.2
Employment agreements, contents, § 5.2.A
Equity-based compensation, § 5.3
Purchase LLC units for service, § 5.3.D
ERISA exemptions
   Excess benefit plans, § 5.5.C.4
   Top hat plans, § 5.5.C.3
Fringe benefits, § 5.4.C
Golden handcuffs, § 5.2.C.2
Golden parachutes, § 5.2.C.3
Good reason, termination, § 5.2.D
Health benefits, § 5.4.B.1
Health insurance premiums, Patient Protection and Affordable Care Act (PPACA), § 5.4.B.1
In-kind benefits, § 5.4.C
Independent contractors, employment agreements, § 5.2.A
Internal Revenue Code, § 5.1
Key-person insurance, § 5.4.B.2
Life insurance, § 5.4.B.2
Loans, signing bonuses structured as, § 2.2.D.4
Member-employee
   Grant of capital/profits interests, § 5.3.C
   Tax consequences, § 5.3.C
Member vs. employee, services provided, § 5.2.A
Nonqualified deferred compensation arrangements, § 5.5
   Control of payment, § 5.5.B
   Exempt arrangements, § 5.5.B.3
   FICA taxes, § 5.5.E
   Informal funding, § 5.5.D
   Limitations, § 5.5.A
   Rabbi trusts, § 5.5.D.2
   SECA taxes, § 5.5.E
   Unfunded plans, § 5.5.D.1
Options
   Purchase LLC units for service, § 5.3.D
   Unit appreciation rights (UAR), § 5.3.F
Patient Protection and Affordable Care Act (PPACA), § 5.4.B.1
Payment, timing, § 5.2.B
Pension plan, ERISA application, § 5.4.D.1
Phantom units, § 5.3.E
Profits interests, for services provided, § 5.3.B
Qualified retirement plans, § 5.4.A
Qualified vs. nonqualified plans, ERISA application, § 5.5.C.1
Self-Employed Contribution Act (SECA), § 5.3.C
Services provided, member vs. employee, § 5.2.A
Severance pay, § 5.2.D
Signing bonuses, § 5.2.C.1
Split-dollar insurance, § 5.4.B.2
Stock options, § 5.3
Tax-qualified employee benefits, § 5.4
   Deductions for company, § 5.2.B
   Equity-based compensation, § 5.3
   Termination for cause, § 5.2.D
   Terms of employment, § 5.2
Top hat plan, ERISA application, § 5.5.C.3
Welfare benefits, § 5.4.B
EXECUTORY CONTRACTS
   Bankruptcy, § 10.7.H
FAIR DEALING DUTY
   Managers, member-employee, § 5.2.E
   Members, § 6.3.C
   Operating agreements, § 6.2
FAIR MARKET VALUE
   Capital accounts, safe harbor for taxes, § 2.2.B.3
FAIR VALUE
   Defined, § 6.9.C
FAIR VALUE BUYOUT
   Member rights
      Personal liability, § 6.9.H
      Remedies, § 6.9.C
   Minority owners, personal liability of majority owners, § 6.9.H
FAMILY
   S corporation status, counting owners, § 2.4.C.2
FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN)
   Form SS-4, § 3.4.A.1
FICA TAXES. See also TAXES
   Nonqualified deferred compensation arrangements, § 5.5.E
   S corporation status
      Business income, § 2.4.C.5
      Shareholder employees, § 2.4.C.4
   Self-Employed Contribution Act (SECA), § 5.3.C
   Taxes, self-employment tax vs. FICA, § 2.2.H.3
FIDUCIARY DUTY
   Liability, § 8.3.H
   Management structure, § 6.3
   Members, § 6.3
      Liability to each other, § 8.3.H
   Revised Uniform Limited Liability Company Act (RULLCA), differences from Old LLC Act (Chapter 322B), § 1.5.G
FINANCING SOURCES. See also PRIVATE CAPITAL FORMATION; VENTURE CAPITAL (VC) INVESTMENT
   Generally, § 7.9
   Angel investors, § 7.9.C
   Bootstrapping, § 7.9.A
   Friends and family, § 7.9.B
   Maxing out credit cards, § 7.9.A
   Next level resources, § 7.10
   Personal funds, § 7.9.A
   Pre-institutional round, § 7.11
FIRST RIGHT OF REFUSAL ENFORCEMENT
   Reverse piercing of liability shield, Lilyerd sole shareholders treatment, § 8.5.C.5
503(B)(9) CLAIMS
   Bankruptcy, § 10.7.C.3
FOREIGN COUNTRIES
   Venture capital (VC), requiring LLC conversion to C corporation, § 7.13.F.1
FOREIGN STATES
   Entity conversion, change of domicile, § 9.10
FORMALITIES
   Revised Uniform Limited Liability Company Act (RULLCA), reduction of formality, § 1.4.B
FORMATION PROCESS
Generally, §§ 3.1 to 3.4
Advising clients, contractual rights and fiduciary duties, § 6.1
Articles of incorporation, § 3.3.A
Changes in New Act, § 3.1
Check-the-box, tax elections, § 3.4.B.1
Checklist for organization, eFormbook, § 3.2
Corporate vs. partnership treatment, § 3.1
Documents, § 3.3
Federal employer identification number (EIN), § 3.4.A.1
Form SS-4, § 3.4.A.1
Management structure, § 3.3.C
Operating agreements, § 3.3.B
Private capital formation, §§ 7.1 to 7.13
State tax identification number, § 3.4.A.2
Tax elections, § 3.4.B
S Corporation, § 3.4.B.2
Tax identification numbers (TINs), § 3.4.A
FORMER LLC ACT. See OLD LLC ACT (CHAPTER 322B)

FRAUD
Bankruptcy, avoidance actions, § 10.7.K.2
Involuntary dissolution
  Attorney general actions, § 10.4.A.2
  Member actions dissolving, § 10.4.A.1.b
Personal liability, manager for own fraudulent acts, § 8.3.E
Securities registration, anti-fraud provisions, § 7.6

FRAUDULENT TRANSFERS
Bankruptcy, avoidance actions, § 10.7.K.2

FRINGE BENEFITS
Executive compensation, § 5.4.C
Taxes, § 2.2.H.5

FUNDING PORTALS
Federal exemptions from securities registration, regulation crowdfunding, § 7.3.D

FUNDRAISING. See also PRIVATE CAPITAL FORMATION
Business plan, § 7.10.A
Equity interests, pre-institutional round, § 7.11.A
Operating agreements, financing provisions, § 7.12

G
GENERAL RECEIVERSHIPS
Revised law after Aug. 1, 2012, § 10.5.B.1

GOLDEN HANDCUFFS
Defined, executive compensation, § 5.2.C.2

GOLDEN PARACHUTE
Defined, executive compensation, § 5.2.C.3

GOOD FAITH AND FAIR DEALING DOCTRINE
Member obligations, § 6.3.C
Oppression, minority members, § 6.4

GOOD FAITH DUTY
Managers, member-employee, § 5.2.E
Members, § 6.3.C
Operating agreements, § 6.2
Special litigation committees (SLCs), totality of circumstances view, § 6.6.B

GOVERNANCE. See also MANAGEMENT STRUCTURE
Generally, §§ 4.1 to 4.9
Board of governors, requirements, § 4.5.B
By members, § 6.5
Operating agreements
  Powers and duties, § 4.2.C
  Venture capital (VC) investment, § 7.13.G.3
  Venture capital (VC), investor governance rights, § 7.13.F.8

GOVERNING AGREEMENTS
Advising clients, contractual rights and fiduciary duties, § 6.1
Allocation of income/loss, substantial economic effect vs. partner interest, § 2.2.B.4
Articles of incorporation, § 3.3.A
Revised Uniform Limited Liability Company Act (RULLCA), differences from Old LLC Act (Chapter 322B), § 1.5.A

GOVERNORS. See BOARD OF GOVERNORS

GUARANTEED PAYMENTS
Defined, distribution taxes, § 2.2.F.6
Taxes
  Member compensation, § 2.2.H.2
  To member on Schedule K-1, § 2.2.H.4

GUARANTIES
Personal liability, member/manager for own personal guaranties, § 8.3.F

H
HEALTH BENEFITS
Discrimination, Patient Protection and Affordable Care Act (PPACA), § 5.4.B.1
Executive compensation, § 5.4.B.1
Patient Protection and Affordable Care Act (PPACA), grandfathered plans, § 5.4.B.1

HEALTH INSURANCE PREMIUMS
Patient Protection and Affordable Care Act (PPACA), § 5.4.B.1

HOMESTEAD EXEMPTION CLAIMS
Reverse piercing of liability shield
  Cargill v. Hedge, § 8.5.C.3
  Hecker majority interest holder, § 8.5.C.6

HOT ASSETS
Defined, distribution taxes, § 2.2.F.5

I
IN-KIND BENEFITS
Defined, executive compensation, § 5.4.C

INCOME TAX. See also TAXES
Business income, self-employment taxes, § 2.2.I
Employer withholding, state law, § 8.3.C
Personal liability, state law test, § 8.3.C

INDEMNIFICATION
Eligibility, § 6.10
Member rights, § 6.10
Operating agreements, venture capital (VC) investment, § 7.13.G.3

INDEPENDENT CONTRACTORS
Employment agreements, executive compensation, § 5.2.A
Nonqualified deferred compensation arrangements, application of law, § 5.5.B.1

INJUNCTIONS
Member rights, remedies, § 6.9.D

INJURIES
Direct vs. derivative actions, § 6.5

INSIDE BASIS
Defined, § 2.2.D.1

INSTITUTIONAL INVESTORS
Defined
State exemptions from securities registration, § 7.4.C

INSURANCE STACKING BENEFITS
Reverse piercing of liability shield
Kuennen majority shareholder treatment, § 8.5.C.2
Roepeke sole shareholder treatment, § 8.5.C.1

INTEGRATION
Securities sales, limitations on registration exemptions, § 7.5

INTERNAL REVENUE CODE
Subchapter K, LLC taxation as partnership, § 2.2

INVESTIGATIONS
Special litigation committees (SLCs), § 6.6

INVESTMENT COMPANIES
Taxes, contributions of property, § 2.2.E.1.b

INVESTMENT CONTRACTS
Private capital formation, § 7.2.A

INVESTMENT PROCESS
Generally, § 7.13.E

INMOLUNTARY DISSOLUTION
Generally, § 10.4
Alternatives to dissolution, § 10.4.B
Attorney general actions, § 10.4.A.2
Court orders, § 10.4.A
Member actions dissolving, § 10.4.A.1
Illegal, fraudulent, oppressive, or harmful acts, § 10.4.A.1.b
Unlawful activities or impractical continuance, § 10.4.A.1.a
Remedies
Judicial options, § 10.4.B
Minority members, § 10.4.A

JOBS ACT (JUMPSTART OUR BUSINESS STARTUPS ACT)
Federal exemptions from securities registration, Rule 506, § 7.3.B.3

JUDGMENTS
Personal liability, personal guaranties, § 8.3.F

KEY-PERSON INSURANCE
Defined, executive compensation, § 5.4.B.2

LANGUAGE
Operating agreements
Management structure, § 4.2.B.1

MANIFESTLY UNREASONABLE TERMS
Application of law, § 5.5.B.1

LEASING
Bankruptcy, executory contracts, § 10.7.H

LEGISLATION
Generally, §§ 1.1 to 1.6
Revised Uniform Limited Liability Company Act (ULLCA), reasons for adoption, § 1.4

LIABILITY
Debts, illegal distributions, § 8.3.D
Debts and other obligations, § 4.7.C
Defined, taxes, § 2.2.D.4
Employer payroll tax withholding, disregarded entities, § 8.3.B.5
Encumbered funds, employer payroll tax withholding, § 8.3.B.3
Entity by estoppel, § 8.6
Failure to follow formalities, § 8.6.A
Fair value buyout, personal liability of majority owners, § 6.9.H
Fiduciary duties, § 8.3.H
Illegal distributions, personal liability, § 8.3.D
Limited liability, §§ 8.1 to 8.7
Personal liability, manager for own fraudulent acts, § 8.3.E
Piercing corporate veil, member liability, § 8.1
Piercing liability shield, § 8.4
Promoter liability, § 8.3.G
Recourse vs. nonrecourse liabilities, § 2.2.D.4
Responsible person test, payroll tax withholding, § 8.3.B.1.b
Reverse piercing of liability shield, § 8.5
Successor liability, § 8.7
Member liability, § 8.1
When successor liable, § 8.7.B
When successor not liable, § 8.7.A
Trust funds embezzled, employer payroll tax withholding, § 8.3.B.3
Willfulness test, payroll tax withholding, § 8.3.B.2

LIENS AND ENCUMBRANCES
Contributions of encumbered property, taxes, § 2.2.E.1.a

LIFE INSURANCE
Executive compensation, § 5.2.C.1, § 5.4.B.2

LIMITED LIABILITY
Generally, §§ 8.1 to 8.7
Encumbered funds or avoiding collapse, employer payroll tax withholding effect, § 8.3.B.3
Entity by estoppel, § 8.6
Exceptions to limited liability, § 8.3
Employer payroll tax withholding, § 8.3.B
Federal tax law, § 8.3.B
Payroll tax withholding, § 8.3.B.1
General rule, § 8.2.A.1
New LLC Act (Chapter 322C), adoption of new act, § 8.2.A.1.a
Old LLC Act, member liability, § 8.2.A.1.b
Old LLC Act (Chapter 322B) vs. New LLC Act (Chapter 322C), § 8.2.A.1
Trust fund embezzlement, employer payroll tax withholding effect, § 8.3.B.3

LIMITED LIABILITY COMPANIES
Entity conversion, advantages of LLC, § 9.2.A
Old LLC Act (Chapter 322B) vs. MBCA, § 1.2
Person, distinguishable from members, § 8.1
Revised Uniform Limited Liability Company Act (RULLCA), adoption, § 1.3

LIMITED LIABILITY COMPANY ACT
Generally, §§ 1.1 to 1.6
History, §§ 1.1 to 1.2
IRS check-the-box rule, § 1.1
New LLC Act (Chapter 322C)
Adoption, § 1.3
Purpose, § 1.4
Old LLC Act (Chapter 322B)
Business treatment, § 1.1
History, § 1.2
Revised Uniform Limited Liability Company Act (RULLCA), Minnesota version vs. Uniform Laws Commission version, § 1.3

LIMITED LIABILITY PARTNERSHIPS
Entity conversion, LLP into LLC, § 9.9

LIMITED RECEIVERSHIPS
Revised law after Aug. 1, 2012, § 10.5.B.1

LIQUIDATING DISTRIBUTION
Defined, taxes, § 2.2.F.3

LIQUIDATION
LLC taxation as partnership, termination of member interests, § 2.2.N
Mergers, corporation merger into LLC, § 9.7.B
Venture capital (VC) investment, ranking and priority terms, § 7.13.F.5

LOANS
Bankruptcy, debtor in possession (DIP) loans, § 10.7.G
Executive compensation
Life insurance, § 5.4.B.2
Signing bonuses structured as loans, § 5.2.C.1
Financing sources, seed financing, § 7.9.A
Liability of members for personal guaranties, § 8.3.F
Nonrecourse loans, tax effects, § 2.2.D.4
Piercing liability shield, collection, § 8.4.C
Reverse piercing of liability shield, § 8.5
Venture capital (VC) investment, disadvantages, § 7.13.C

MAIL AND MAILING
Board meetings, notice, § 4.5.C.2

MANAGEMENT STRUCTURE
Generally, §§ 4.1 to 4.9
Alternatives, § 4.2.A
Articles of incorporation, optional provisions, § 3.3.A.2
Board management, § 3.3.C.3, § 4.5 (See also BOARD MANAGEMENT)
Buy-sell provisions, § 3.3.D
Default rules, § 4.2.B
Dissolution, effect on management rights, § 4.8
Fiduciary duties, § 6.3
Liability, § 4.7.C
Manager managed vs. board managed, § 3.3.C.1

MANAGER MANAGEMENT
Manager management, § 3.3.C.2, § 4.4 (See also MANAGER MANAGEMENT)
Meetings, who may call, § 4.6
Member management, § 3.3.C.1, § 4.3 (See also MEMBER MANAGEMENT)
Offering documents, § 7.10.B.7
Officers and agents, § 4.2.D
Operating agreements
Language, § 4.2.B.1
New LLC Act (Chapter 322C), § 8.2.A.1.a
Powers and duties, § 4.2.C
Options, § 4.2.A
Revised Uniform Limited Liability Company Act (RULLCA), differences from Old LLC Act (Chapter 322B), § 1.5.B
Statements of authority, § 3.3.E
Third parties, relationship of members and management, § 4.7
Transfer of membership interests, § 3.3.D
Venture capital (VC), negatives for VC investors, § 7.13.D

MANAGERS
Advances, eligibility, § 6.10
Compensation, § 4.9, § 5.2.B
Continuing obligations of manager, § 4.4.J
Dissociation of manager, § 4.4.I
Duty of care, § 6.3.A
Duty of loyalty, § 6.3.B
Fiduciary duties
Good faith and honesty, § 6.3
Liability, § 8.3.H
Good faith and fair dealing duty, § 6.3.C
Good faith and honesty, § 6.3
Managers, powers and duties, § 4.4.A (See also MANAGERS)
Member rights, right to information, § 6.7
Operating agreements, powers and duties, § 4.2.C
Ordinary course matters, § 4.4.B
Outside of ordinary course matters, § 4.4.C
Qualifications of manager, § 4.4.E
Removal of manager, § 4.4.H
Resignation of manager, § 4.4.G
Term of manager, § 4.4.F

M E N
Personal liability
  Manager for own fraudulent acts, § 8.3.E
  Personal guarantees, § 8.3.F
Powers and duties, manager management, § 4.4.A
Qualifications of manager, § 4.4.E
Removal of manager, § 4.4.H
Remuneration, services performed, § 4.9
Resignation of manager, § 4.4.G
Responsible person, payroll tax withholding, § 8.3.B.1.a
Standard of conduct, § 6.3.A
Term of manager, § 4.4.F
Third parties, relationship, § 4.7

MANIFESTLY UNREASONABLE STANDARD
  Determination, § 6.3.B

MATERIAL FACT
  Defined, anti-fraud provisions, § 7.6

MATERIALLY PARTICIPATE
  Defined, deductibility of losses, § 2.2.C.2

MEDICARE TAXES
  S corporation status, shareholder employees, § 2.4.C.4

MEMBER COMPENSATION
  LLC taxation as partnership, equity compensation, § 2.2.L
  Taxes, Schedule K-1, § 2.2.H.4

MEMBER-EMPLOYEE
  Agreements, executive compensation, § 5.2.A
  Capital interests, for services provided, § 5.3.A
  Defined, executive compensation, § 5.1
  Fringe benefits, § 5.4.C
  Nonqualified deferred compensation arrangements, exempt arrangements, § 5.5.B.3
  Options, purchase LLC units for service, § 5.3.D
  Profits interests, for services provided, § 5.3.B
  Qualified retirement plans, § 5.4.A

MEMBER INTERESTS
  Capital interests, for contribution of services, § 2.2.E.2
  LLC taxation as partnership
    Termination of member interests, § 2.2.N
    Transfer of member interest, § 2.2.J

MEMBER MANAGEMENT
  Generally, § 4.3
  Acts in ordinary course of business, decisionmaking, § 4.3.C
  Appointment, special litigation committees (SLCs), § 6.6
  Business judgment rule, duty of care, § 6.3.A
  Default rules, § 4.2.B, § 4.3.A
    Modification, § 4.2.B.2
    New LLC Act (Chapter 322C), § 8.2.A.1.a
  Duty of care, § 6.3.A
  Duty of loyalty, § 6.3.B
  Fiduciary duties, liability, § 8.3.H
  Good faith and fair dealing duty, § 6.3.C
  Good faith and honesty, fiduciary duties, § 6.3
  Majority, determination, § 4.3.D
  Member rights, right to information, § 6.7
  Operating agreements
    Amending, § 4.3.E
    Powers and duties, § 4.2.C

Ordinary course matters
  Acts outside, § 4.3.D
  Decisionmaking, § 4.3.C
  Identification, § 4.3.C
Out of ordinary course matters, identification, § 4.3.D
Responsibility for company actions, § 4.3.A
Sharing management rights, § 4.3.B
Voting rights, § 4.3.B

MEMBER RIGHTS
  Generally, §§ 6.1 to 6.10
  Advances, eligibility, § 6.10
  Advising clients, contractual rights and fiduciary duties, § 6.1
  Attorney fees, § 6.9.F
  Dissenter rights, § 6.8
  Fair value buyout, personal liability, § 6.9.H
  Indemnification, § 6.10
    Eligibility, § 6.10
  Member control agreement vs. operating agreement, § 6.2
  Minority members, protections, § 6.1
  Operating agreements, § 6.2
    Language, § 6.1
    Statute vs. written documents, § 6.2
  Remedies
    Dissociation, § 6.9.A
    Dissolution, § 6.9.B
    Equitable relief, § 6.9.E
    Fair value buyout, § 6.9.C
    Injunctions, § 6.9.D
    Punitive damages, § 6.9.G
    Restricting access to information, § 6.7
    Right to information, § 6.7

MEMBERS
  Advances, eligibility, § 6.10
  Bankruptcy, debtor as LLC member, § 10.7.N
  Common membership interest sales, down round, § 7.11.A
  Company as person, distinguishable from members, § 8.1
  Compensation
    As guaranteed payments for taxes, § 2.2.H.2
    Services performed, § 4.9
  Derivative actions, § 6.5
  Direct actions, § 6.5
  Duty of loyalty, § 6.3.B
  Equity interests, private capital formation, § 7.2.A
  Failure to make contributions, liability, § 8.3.H
  Fair value buyout, personal liability, § 6.9.H
  Fiduciary duties, § 6.3
    Liability, § 8.3.H
  Good faith and fair dealing duty, § 6.3.C
  Operating agreements, § 6.2
  Good faith and honesty, fiduciary duties, § 6.3
  Injuries, direct vs. derivative actions, § 6.5
  Interests as investment contracts, § 7.2.A
  Investment contracts, § 7.2.A
  Management rights, sharing, § 4.3.B
  Meetings, who may call, § 4.6
  Net worth calculation, accredited investors, § 7.3.B.4
  Partnership into LLC conversion, terms of membership interests, § 9.4.C
Personal liability, personal guaranties, § 8.3.F
Piercing liability shield, reverse piercing, § 8.5
Profits interests, Rule 701 exemptions from securities registration, § 7.3.C
Proof of injury, direct vs. derivative actions, § 6.5
Responsible person, payroll tax withholding, § 8.3.B.1.a
S corporation status, counting owners, § 2.4.C.2
Third parties, relationship, § 4.7

MERGERS. See also ENTITY CONVERSION
Assets over form, § 9.2.B.1
Corporation into LLC
   Requirements, § 9.7.A
   Tax treatment, § 9.7.B
Entity conversion, § 9.2.B
   Corporation into LLC, § 9.7
LLC into corporation, § 9.8
   Tax considerations, § 9.8.B
Taxes
   Assets over form mergers, § 9.2.B.1
   Assets up form mergers, § 9.2.B.2
   Interest over form mergers, § 9.2.B.3

MINNESOTA BUSINESS CORPORATION ACT (MBCA)
Old LLC Act (Chapter 322B), comparison, § 1.2
MINORITY MEMBERS
   Remedies, involuntary dissolution, § 10.4.A
MINORITY OWNERS
   Fair value buyout, personal liability of majority owners, § 6.9.H
   Oppression, remedies, § 6.4
   Protections, good faith and fair dealing duty, § 6.3.C
   Right to information, § 6.7
MINUTES
   Board meetings, § 4.5.C.2.f
MISREPRESENTATION
   Anti-fraud provisions, § 7.6
MNVEST
   State exemptions from securities registration, § 7.4.D
N
NET EARNINGS FROM SELF-EMPLOYMENT
   Defined, § 2.2.1.1
NET WORTH
   Calculation, accredited investors, § 7.3.B.4
NEW LLC ACT (CHAPTER 322C)
   Adoption, § 1.3
   Adoption of new act, § 8.2.A.1.a
   Articles of incorporation, § 3.3.A
   Articles of organization, § 8.2.A.1.a
   Articles of organization vs. operating agreement, drafting considerations, § 8.2.A.1.a
   Default rules, member management, § 8.2.A.1.a
   Effective date, § 6.1, § 8.2.A.1.a
   Formation process, changes in New Act, § 3.1
   History of LLCs, § 1.2, § 9.1.A
   Management structure, § 3.3.C
   Member liability, § 8.2.A.1.c
   Operating agreements, § 8.2.A.1.a
   Management structure, § 8.2.A.1.a
   Separate legal entity of LLC, § 3.3.B
   Piercing liability shield, Old LLC Act (Chapter 322B) vs. New LLC Act (Chapter 322C), § 8.4.B

NEW YORK RULE
   State exemptions from securities registration, § 7.4
NON-COMPETE AGREEMENTS
   Consideration, § 5.2.E
   Employment agreements, § 5.2.E
NONLIQUIDATING DISTRIBUTION
   Defined, taxes, § 2.2.F.2
NONMEMBERS
   Piercing liability shield, application of doctrine, § 8.4.D
NONOWNERS
   Piercing liability shield, application of doctrine, § 8.4.D
NONPROFIT LLCs
   Articles of incorporation, § 3.3.A
NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS
   Control of payment, § 5.5.B
   Application of law, § 5.5.B.1
   Distribution limits, Section 409A requirements, § 5.5.B.4
   Electing time and form of payment, § 5.5.B.4.iii
   Employee Retirement Income Security Act (ERISA), application of law, § 5.5.C
   Equity-based compensation, § 5.5.B.2
   Executive compensation, § 5.5
   Exempt arrangements, § 5.5.B.3
   Section 409A of I.R.C., § 5.5.B.3
   FICA taxes, § 5.5.E
   Informal funding, § 5.5.D
   Qualified vs. nonqualified, ERISA application, § 5.5.C.1
   Rabbi trusts, § 5.5.D.2
   Re-deferrals, § 5.5.B.4.iii
   Requirements, Section 409A, § 5.5.B.4
   SECA taxes, § 5.5.E
   Section 409A requirements, failure to comply, § 5.5.B.5
   Short-term deferral exemption, § 5.5.B.3
   Unfunded plans, § 5.5.D.1
NONRECOUPABLE LIABILITY
   Defined, § 2.2.D.4.b
NOTICE
   Bankruptcy, claims allowance process, § 10.7.J
   Board of governors
      Election of governors, § 4.5.B.4
      Meetings, § 4.5.C.2
   Meetings, who may call, § 4.6
   Voluntary dissolution
      Notice to claimants, § 10.2.D
      Notice to known claimants, § 10.2.D.1
O
OFFERING DOCUMENTS
   Contents, § 7.10.B.1
Description of business, § 7.10.B.6
Description of securities offered, § 7.10.B.9
Dilution of book value, § 7.10.B.4
Financial condition analysis, § 7.10.B.5
Financial statements and projections, § 7.10.B.10
Management, § 7.10.B.7
Principal security holders, § 7.10.B.8
Risk factors, § 7.10.B.2
Use of proceeds, § 7.10.B.3

OFFICERS. See also BOARD OF GOVERNORS;
MANAGERS
Appointment, § 4.2.D
Board management, appointment, § 4.5.D.1
Executive compensation, §§ 5.1 to 5.5
Independent contractors, employment agreements, § 5.2.A
Member vs. employee, services provided, § 5.2.A
Responsible person, payroll tax withholding, § 8.3.B.1.a

OLD LLC ACT (CHAPTER 322B)
Articles of incorporation, § 3.3.A
Business treatment, § 1.1
Bylaws, § 8.2.A.1.a
Corporate vs. partnership approach, § 1.4.A
Effective dates, § 1.6.A
History of LLCs, § 1.2, § 9.1.A
Member control agreement, § 8.2.A.1.a
Member control agreement vs. operating agreement, § 6.2
Member liability, § 8.2.A.1.b
Piercing liability shield, Old LLC Act (Chapter 322B) vs. New LLC Act (Chapter 322C), § 8.4.B
Revised Uniform Limited Liability Company Act (RULLCA)
Differences from Old LLC Act, § 1.5
Transition to new act, § 1.6
Revised Uniform Limited Liability Company Act (RULLCA) distinctions
Agency authority, § 1.5.F
Default profits, § 1.5.C
Default voting rights, § 1.5.D
Dissenter rights, § 1.5.E
Distribution rights, § 1.5.C
Fiduciary duties, § 1.5.G
Governing agreements, § 1.5.A
Management structure, § 1.5.B
Powers and duties, § 1.5.G
Voting rights, § 1.5.D
Transition to new act, preservation of rights under Old LLC Act, § 1.6.B
Voluntary dissolution, LLCs formed under Old LLC Act, § 10.2.E

OMISSION OF MATERIAL FACT
Anti-fraud provisions, § 7.6

OPERATING AGREEMENTS
Advances, eligibility, § 6.10
Advising clients, contractual rights and fiduciary duties, § 6.1
Amending, § 4.3.E
Oral and implied agreements, § 6.1
Appointment of manager, member consent, § 4.4.D
Articles of organization vs. operating agreement, drafting considerations, § 8.2.A.1.a
Board management, § 4.2.B.1, § 4.5.A
Appointment of officers and agents, § 4.5.D.1
Board of governors
Classification, § 4.5.B.5
Election of governors, § 4.5.B.4
Compensation, members, § 4.9
Contents, § 4.2.C
Default rules, modification, § 4.2.B.2
Defined, § 3.3.B, § 6.1
Duty of care, alteration by agreement, § 6.3.A
Executive compensation, § 5.2.A
Financing provisions, § 7.12
Good faith and fair dealing duty, § 6.2
Indemnification, eligibility, § 6.10
LLC as S corporation, taxes, § 2.4.C.1
Majority, determination, § 4.3.D
Manager management, § 4.2.C
Appointment of manager, § 4.4.A
Ordinary course matters, § 4.4.B
Outside of ordinary course matters, § 4.4.C
Manifestly unreasonable terms, § 6.1
Determination, § 6.2
Duty of loyalty, § 6.3.B
Member management, § 4.2.B.1, § 4.2.C
Member rights, § 6.2
New LLC Act (Chapter 322C), § 8.2.A.1.a
Ordinary course matters
Acts outside, § 4.3.D
Identification, § 4.3.C
Out of ordinary course matters, identification, § 4.3.D
Scope and terms, § 3.3.B
Separate legal entity of LLC, § 3.3.B
Statute vs. written documents, § 6.2
Valuation of member interests, fair value buyout, § 6.9.C
Venture capital (VC) investment, deal documents, § 7.13.G.3
Written documents, impact, § 6.2

OPPRESSION
Involuntary dissolution, member actions dissolving, § 10.4.A.1.b
Minority owners, remedies, § 6.4

OPPRESSIVE
Defined, § 6.4
Involuntary dissolution, § 10.4.A.1.b

ORDINARY COURSE MATTERS
Bankruptcy, preference action defenses, § 10.7.K.1
Board of governors, quorum, § 4.5.C.2.b
Manager management, § 4.4.B
Member management, decisionmaking, § 4.3.C

OUTSIDE BASIS
Defined, § 2.2.D.1

P

PARENT COMPANIES
Piercing liability shield, application of doctrine, § 8.4.E

PARTNERSHIP AGREEMENTS
Allocation of income/loss, tax effect, § 2.2.B.1
SUBJECT INDEX–15

Defined, tax effect, § 2.2.B.1

PARTNERSHIP LAW GUIDANCE
Entity conversion
LLP into LLC, § 9.9
Partnership into LLC, § 9.4
Fiduciary duties, liability, § 8.3.H
History of LLCs, § 9.1.A
LLC taxation as disregarded entities, adding member to single-member LLC, § 2.3.B
LLC taxation as partnership, technical termination under I.R.C., § 2.2.K
Tax considerations, partnership treatment, § 2.1
Taxes, LLC taxation as partnership, § 2.2

PARTNERSHIPS
Check-the-box tax elections, Form 8832, § 3.4.B.1
Entity conversion, LLP into LLC, § 9.9
Operating agreements, separate legal entity of LLC, § 3.3.B

PASSIVE LOSSES
Deductibility of losses, § 2.2.C.2

PATIENT PROTECTION AND AFFORDABLE CARE ACT (PPACA)
Executive compensation, § 5.4.B.1

PAYROLL TAXES
Encumbered funds, avoiding liability, § 8.3.B.3
Exceptions to limited liability, employer payroll tax withholding, § 8.3.B
Liability
Reasonable person test, § 8.3.B.1.a
Scope, § 8.3.B.4
Willfulness test, § 8.3.B.2
Taxes, self-employment tax vs. FICA, § 2.2.H.3

PENALTIES
Employer payroll tax withholding, assessment against responsible persons, § 8.3.B.1

PENSION PLAN. See also RETIREMENT AND PENSIONS
Defined, ERISA, § 5.4.D.1
ERISA exemptions, top hat plans, § 5.5.C.3
Successor liability, § 8.7.C

PERSON
Distinguishable from members, limited liability companies, § 8.1

PHANTOM UNITS
Defined, executive compensation, § 5.3.E

PIERCING LIABILITY SHIELD
Generally, § 8.4
Analysis required, standards for applying, § 8.4.F
Application of doctrine
To nonowners, § 8.4.D
To parent/subsidiary entities, § 8.4.E
Standards for applying, § 8.4.F
Company as separate entity factors
Capitalization, § 8.4.C.1.a
Company as facade for individuals, § 8.4.C.1.f
Corporate record maintenance, § 8.4.C.1.g
Dividend payments, § 8.4.C.1.b
Formality observance, § 8.4.C.1.h
Insolvency, § 8.4.C.1.e
Nonfunctioning managers or governors, § 8.4.C.1.e
Payment of debts, § 8.4.C.1.d
Siphoning of funds, § 8.4.C.1.d
Entity by estoppel, limited liability protection, § 8.6
Member liability, § 8.1
Old LLC Act (Chapter 322B) vs. New LLC Act (Chapter 322C), § 8.4.B
Relationship of plaintiff to company factors
Alter ego liability, § 8.4.C.2.d
Clean hands doctrine, § 8.4.C.2.f
Company as disclosed principal, § 8.4.C.2.e
Consensual and sophisticated parties, § 8.4.C.2.g
Distinguishing company vs. member in dealings, § 8.4.C.2.a
Evidence of fraud, § 8.4.C.2.b
Organization to avoid liability, § 8.4.C.2.c
Reverse piercing, § 8.5
Victoria Elevator test, § 8.4.C
Company as separate entity factors, § 8.4.C.1
Relationship of plaintiff to company, § 8.4.C.2
Standards for applying, § 8.4.F

PIGGYBACK REGISTRATION RIGHTS
Defined, venture capital (VC) investments, § 7.13.G.3

POPULAR NAME LAWS
Consolidated Omnibus Budget Reconciliation Act (COBRA), executive compensation, § 5.4.B.1
Employee Retirement Income Security Act (ERISA), § 5.1
Nonqualified deferred compensation arrangements, § 5.5.C
Internal Revenue Code, § 5.1
Section 409A, § 5.5.B
Jumpstart Our Business Startups Act (JOBS Act), federal exemptions from securities registration, § 7.3.B.3
Limited Liability Company Act, §§ 1.1 to 1.6
New Limited Liability Company Act (Chapter 322C), history, §§ 1.3 to 1.6
Old Limited Liability Company Act (Chapter 322B), history, §§ 1.1 to 1.2
Patient Protection and Affordable Care Act (PPACA), § 5.4.B.1
Revised Uniform Limited Liability Company Act (RULLCA), adoption, § 1.3
Self-Employed Contribution Act (SECA), § 5.3.C
Uniform Limited Offering Exemption (ULOE), state exemptions from securities registration, § 7.4.A

PPACA (PATIENT PROTECTION AND AFFORDABLE CARE ACT)
Executive compensation, § 5.4.B.1

PREFERENCES
Defined, bankruptcy, § 10.7.K.1

PRESIDENT
Board management, appointment, § 4.5.D.2

PRIMARY RESIDENCE
Net worth calculation, accredited investors, § 7.3.B.4

PRIVATE CAPITAL FORMATION
Generally, §§ 7.1 to 7.13
Accredited investor, securities registration, § 7.3.B.4
Business plan, § 7.10.A
Competence, complex transactions, § 7.2
Defined, § 7.1
Down round, § 7.11.A
Equity interests, § 7.2.A
  Pre-institutional round, § 7.11.A
Ethics
  Competence in complex transactions, § 7.2
  Temporary lawyers, § 7.13.G
Federal exemption from securities registration
  Documenting exemptions, § 7.3.G
  Factors, § 7.2.C
  Federal exemptions, § 7.3
  Federal intrastate exemptions, § 7.3.E
  Regulation crowdfunding, § 7.3.D
  Rule 701, § 7.3.C
Financing sources, § 7.9
  Angel investors, § 7.9.C
  Bootstrapping, § 7.9.A
  Friends and family, § 7.9.B
  Maxing out credit cards, § 7.9.A
  Next level resources, § 7.10
  Personal funds, § 7.9.A
  Pre-institutional round, § 7.11
Growing the business, financing sources, § 7.10
Integration, limitations on exemptions, § 7.5
Investment contracts, § 7.2.A
Investment process, § 7.13.E
Maxing out credit sources, § 7.9.A
Memberships, § 7.2.A
Net worth calculation, accredited investors, § 7.3.B.4
Offering
  Contents, § 7.10.B.1
  Documents, § 7.10.B
Operating agreements, financing provisions, § 7.12
Pre-institutional round, § 7.11
Public capital vs. private capital, § 7.1
Registration, securities, § 7.2.B
Securities law, application of law, § 7.2
Securities registration
  Anti-fraud considerations, § 7.6
  Disqualification from exemptions, § 7.7
  Integration, § 7.5
  Restrictions on resale, § 7.8
Securities sales
  Anti-fraud provisions, § 7.6
  Limitations on registration exemptions, § 7.5
Security
  Exemption from registration, § 7.2.C, § 7.3, § 7.4
  State vs. federal definition, § 7.2.A
Seed-round financing, § 7.9
State exemptions from securities registration, § 7.4
  Existing security holders, § 7.4.E
  Institutional investors, § 7.4.C
  Isolated sales, § 7.4.B
  MNvest, § 7.4.D
Uniform Limited Offering Exemption (ULOE), § 7.4.A
Venture capital (VC) investments, § 7.13
  Anti-dilution protection, § 7.13.F.7
  Conversion provisions triggered by future events, § 7.13.F.3
Deal documents, § 7.13.G
Disadvantages of VC investment, § 7.13.C
Dividend terms, § 7.13.F.4
Entrepreneur perspective, § 7.13.B
Investment drivers, § 7.13.D
Investment terms, § 7.13.F
Investor governance rights, § 7.13.F.8
Investor perspective, § 7.13.A
Negatives for VC investors, § 7.13.D
Protective provisions, § 7.13.F.8
Ranking and priority terms, § 7.13.D
Ratchet rights, § 7.13.F.7
Redemption rights on investor securities, § 7.13.F.9
Requiring LLC conversion to C corporation, § 7.13.F.1
Securities purchase agreement, § 7.13.G.1
Stock conversion rates, § 7.13.F.6
Tax blocker corporations, § 7.13.F.2
PRIVATE OFFERING EXEMPTION
  Securities registration, § 7.3.A
PRIVATE PLACEMENT EXEMPTION
  Securities registration, § 7.3.A
PROFESSIONAL CONDUCT
  Advising clients, § 4.2.B.1
  Business vs. legal issues with VC partners, § 7.13.B
  Employing lawyer and temporary lawyers, § 7.13.G
  Private capital formation, competence in complex transactions, § 7.2
  Representation of entities, § 4.1
  Temporary lawyers, VC investment deal documents, § 7.13.G
PROFITS INTEREST
  Defined, taxes on contributions, § 2.2.E.3
  Executive compensation, for services provided, § 5.3.B
  LLC taxation as partnership, equity compensation, § 2.2.E.2
  Nonqualified deferred compensation arrangements, exempt arrangements, § 5.5.B.3
  Rule 701, federal exemptions from securities registration, § 7.3.C
  Tax treatment, § 2.2.E.3
PROMOTER LIABILITY
  Companies yet to be formed, § 8.3.G
PUBLICATION
  Notice to claimants, voluntary dissolution, § 10.2.D
PUNITIVE DAMAGES
  Member rights, § 6.9.G
PURCHASE AGREEMENT
  Securities purchase, venture capital (VC) deal documents, § 7.13.G
Q
QUALIFIED
  Defined, qualified retirement plans, § 5.4.A
QUALIFIED BENEFIT PLANS. See also EMPLOYEE WELFARE BENEFIT PLAN
  Employee Retirement Income Security Act (ERISA), executive compensation, § 5.4.D
QUALIFIED RETIREMENT PLANS
Employee Retirement Income Security Act (ERISA), executive compensation, § 5.4.D
Executive compensation, § 5.4.A
Nonqualified deferred compensation arrangements, § 5.5
Member-employees, § 5.4.A
Qualified vs. nonqualified, ERISA application, § 5.5.C.1

QUORUM
Board of governors, ordinary course matters, § 4.5.C.2.b

R

RATCHET RIGHTS
Venture capital (VC), § 7.13.F.7

REAL ESTATE LIENS
Reverse piercing of liability shield, Euerle Farms, § 8.5.C.4

REASONABLE EXPECTATIONS DOCTRINE
Oppressive conduct, minority members, § 6.4

RECEIVERS AND RECEIVERSHIPS
Generally, § 10.5
Administration of property
Demanding turnover, § 10.5.B.5.a
Executory contracts, § 10.5.B.5.c
Obtaining credit, § 10.5.B.5.b
Selling free and clear of liens, § 10.5.B.5.d
Agreement of parties, § 10.5.A.1
Appointment
Current law, § 10.5.B.2
When warranted, § 6.9.D
Assignment for benefit of creditors (ABC), receivership law provisions compared, § 10.6.A.3
Authority of receiver, § 10.5.A.3
General receiverships, § 10.5.B.1
Grounds for appointment, old law, § 10.5.A.1
Law prior to Aug. 1, 2012, § 10.5.A
Applicable law, § 10.5.A.4
Authority of receiver, § 10.5.A.3
Court authority to appoint, § 10.5.A.1
Creditor claims, § 10.5.A.4.b
Employing professional assistance, § 10.5.A.4.d
Reporting requirements, § 10.5.A.4.c
Selecting receiver, § 10.5.A.2
Limited receiverships, § 10.5.B.1
Powers and duties, current law, § 10.5.B.2
Qualifications of receiver, § 10.5.A.2
Removal of receiver, current law, § 10.5.B.4
Revised law after Aug. 1, 2012, § 10.5.B
Administration of property, § 10.5.B.5
Claims and distributions, § 10.5.B.6
Court authority, § 10.5.B.2
Employing professional assistance, § 10.5.B.4
Receiver as respondent, § 10.5.B.1
Reporting, § 10.5.B.4
Stay of action against property, § 10.5.B.3
Stay of action against property, current law, § 10.5.B.3

RECLAMATION CLAIMS
Bankruptcy, § 10.7.C.4

RECORDS
Defined, § 1.5.A
Member rights, right to information, § 6.7

RECOUPMENT LIABILITY
Defined, § 2.2.D.4.a

REDEMPTION RIGHTS
Venture capital (VC), investor securities, § 7.13.F.9

REGISTRATION. See SECURITIES REGISTRATION

REGULATION A
Testing the waters, federal exemptions from securities registration, § 7.3.F

REGULATION D
Federal exemptions from securities registration, § 7.3.B
Rule 504, § 7.3.B.1
Rule 505, § 7.3.B.2
Rule 506, § 7.3.B.3

REMEDIES
Involuntary dissolution, judicial options, § 10.4.B
Member rights
Dissenter rights, § 6.8
Dissociation, § 6.9.A
Dissolution, § 6.9.B
Equitable relief, § 6.9.E
Fair value buyout, § 6.9.C
Injunctions, § 6.9.D
Punitive damages, § 6.9.G
Minority members, involuntary dissolution, § 10.4.A
Oppression, minority owners, § 6.4
Piercing liability shield, § 8.4.A
Third parties, piercing liability shield, § 8.4

REMUNERATION
Managers, services performed, § 4.9

REORGANIZATION OF COMPANY
Bankruptcy, chapter 7 vs. chapter 11, § 10.7.A

REPRESENTATION OF ENTITIES
Advising clients, § 4.2.B.1
Business vs. legal issues with VC partners, § 7.13.B
Contractual rights and fiduciary duties, § 6.1
Default rules and modification, § 4.2.C
Personal vs. company liability, § 8.3.F
Standard of conduct in agreements, § 6.3.A
Fraudulent transfers, successor liability, § 8.7.B
Member rights, access to information, § 6.7
Private capital formation, competence in complex transactions, § 7.2
Professional conduct, § 4.1
Temporary lawyers, VC investment deal documents, § 7.13.G

RESIDENCE
Net worth calculation, accredited investors, § 7.3.B.4

RESPONSIBLE PERSON
Defined, payroll tax withholding, § 8.3.B.1.a

RESPONSIBLE PERSON TEST
Liability, payroll tax withholding, § 8.3.B.1.b
RETIREMENT AND PENSIONS
Employee Retirement Income Security Act (ERISA), § 5.1
Executive compensation, ERISA application, § 5.4.D.1
Golden parachutes, § 5.2.C.3
Qualified retirement plans, § 5.4.A
Executive compensation, § 5.4.A, § 5.4.D
Member-employees, § 5.4.A
Nonqualified deferred compensation arrangements, § 5.5
Qualified vs. nonqualified plans, ERISA application, § 5.5.C.1
Successor liability, federal law, § 8.7.C
Top hat plans, ERISA exemptions, § 5.5.C.3

REVERSE PIERCING OF LIABILITY SHIELD
First right of refusal enforcement, Lilyerd sole shareholders treatment, § 8.5.C.5
Homestead exemption claims
Cargill v. Hedge, § 8.5.C.3
Hecker majority interest holder, § 8.5.C.6
Insurance stacking benefits, Kuennen majority shareholder treatment, § 8.5.C.2
Members, § 8.5
Real estate liens, Euerle Farms, § 8.5.C.4
Roepke standards, § 8.5.B
Case law, § 8.5.C
Insurance stacking benefits, § 8.5.C.1
When used, § 8.5.A

REVISED UNIFORM LIMITED LIABILITY COMPANY ACT (RULLCA). See also NEW LLC ACT (CHAPTER 322C)
Adoption, § 1.3
Corporate vs. partnership approach, § 1.4.A
Differences from Old LLC Act (Chapter 322B), § 1.5
Effective date, § 6.1
Transition to new act, § 1.6.A
Formation process, changes in New Act, § 3.1
History, § 1.3.A
Legislative history, § 1.3.B
Member rights, §§ 6.1 to 6.10
Minnesota version vs. Uniform Laws Commission version, § 1.3
Modifications, § 1.3.B
Old LLC Act (Chapter 322B), transition to new act, § 1.6
Old LLC Act (Chapter 322B) distinctions
Agency authority, § 1.5.F
Default profits, § 1.5.C
Default voting rights, § 1.5.D
Dissenting rights, § 1.5.E
Distribution rights, § 1.5.C
Fiduciary duties, § 1.5.G
Governing agreements, § 1.5.A
Management structure, § 1.5.B
Powers and duties, § 1.5.G
Voting rights, § 1.5.D
Preservation of rights under Old LLC Act (Chapter 322B), § 1.6.B
Reasons for adoption, § 1.4
Reduction of formality, § 1.4.B
Uniform Law Commission text, § 6.2

RIGHT TO INFORMATION
Member rights, § 6.7

RISK FACTORS
Offering documents, § 7.10.B.2
Venture capital (VC), § 7.13.A

ROEPKE STANDARDS
Reverse piercing of liability shield, § 8.5.B

RULE 701
Federal exemptions from securities registration, § 7.3.C

S
S CORPORATION
Defined, taxes, § 2.4.C.1
LLC taxation as corporation, § 2.4.C
Tax elections, Form 2553, § 3.4.B.2

SALES
Basis, step ups, § 2.2.D.6.a
Contributions of property, disguised sales, § 2.2.E.4
LLC taxation as partnership, termination of member interests, § 2.2.N
Taxes, transfer of member interest, § 2.2.J.1
363 sales, bankruptcy, § 10.7.K.2

SCHEDULE K-1
S corporation status, Form 1120S and Schedule K-1, § 2.4.C.5
Taxes, guaranteed payments to member, § 2.2.H.4

SECA (SELF-EMPLOYED CONTRIBUTION ACT)
Executive compensation, § 5.3.C

SECA TAXES. See also TAXES
Nonqualified deferred compensation arrangements, § 5.5.E

SECRETARY OF STATE
Articles of conversion, corporation into LLC conversion, § 9.5.C
Filing, statements of authority, § 4.7.B
Statements of authority, filing, § 3.3.E

SECURITIES
Defined, private capital formation, § 7.2.A
Scope of term, private capital formation, § 7.2.A
Taxes, marketable securities distributions, § 2.2.F.4

SECURITIES PURCHASE AGREEMENT
Venture capital (VC) investment
Deal documents, § 7.13.G.1
Preemptive rights, § 7.13.G.3

SECURITIES REGISTRATION
Exemptions, § 7.2.C
Bad actor provisions, § 7.7
Disqualification, § 7.7
Resale restrictions, § 7.8

Federal exemptions, § 7.3
Documenting exemptions, § 7.3.G
Federal intrastate exemptions, § 7.3.E
Private placement, § 7.3.A
Regulation A, § 7.3.F
Regulation crowdfunding, § 7.3.D
Regulation D, § 7.3.B
Rule 701, § 7.3.C
Time and amount limitations, § 7.3.B
Integration
Limitations on registration exemptions, § 7.5
LIMITATIONS ON SECURITIES EXEMPTIONS, § 7.5
NON-ACREDITED INVESTORS, SALES TO, § 7.3.B.4
OFFERING DOCUMENTS, § 7.10.B
REGISTRATION, § 7.2.B
STATE EXEMPTIONS FROM SECURITIES REGISTRATION, § 7.4
EXISTING SECURITY HOLDERS, § 7.4.E
INSTITUTIONAL INVESTORS, § 7.4.C
ISOLATED SALES, § 7.4.B
LIMITED OFFERINGS, § 7.4.A
MNvest, § 7.4.D
TRANSACTIONS, ANTI-FRAUD PROVISIONS, § 7.6
VENTURE CAPITAL (VC) INVESTMENT RIGHTS, § 7.13.G.3

SEED FINANCING
ANGEL INVESTORS, § 7.9.C
BOOTSTRAPPING, § 7.9.A
FRIENDS AND FAMILY, § 7.9.B
INITIAL FINANCING, § 7.9

SELF-EMPLOYED CONTRIBUTION ACT (SECA)
EXECUTIVE COMPENSATION, § 5.3.C

SELF-EMPLOYMENT
S CORPORATION STATUS, SHAREHOLDER EMPLOYEES, § 2.4.C.4
TAXES
BUSINESS INCOME, § 2.2.1
FRINGE BENEFITS, § 2.2.H.5
NET EARNINGS FROM SELF-EMPLOYMENT, § 2.2.1.1
SELF-EMPLOYMENT TAX VS. FICA, § 2.2.H.3
STATUS, § 2.2.H.1

SELF-EMPLOYMENT TAX
BUSINESS INCOME, APPLICATION TO LLC MEMBERS, § 2.2.1.3
S CORPORATION STATUS, BUSINESS INCOME, § 2.4.C.5

SELF-INSURED GROUP HEALTH PLANS
EXECUTIVE COMPENSATION, HEALTH BENEFITS, § 5.4.B.1

SERVICES
CAPITAL INTERESTS, FOR CONTRIBUTION OF SERVICES, § 2.2.E.2

SEVERANCE PAY
DEFERRED COMPENSATION, § 5.2.D
EXECUTIVE COMPENSATION, § 5.2.D
GOLDEN PARACHUTES, § 5.2.C.3
NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS
EXEMPT ARRANGEMENTS, § 5.5.B.3
FICA TAXES, § 5.5.E

SHAREHOLDERS
CORPORATION INTO LLC CONVERSION, EFFECT ON SHAREHOLDERS, § 9.5.G
S CORPORATION STATUS, SHAREHOLDER EMPLOYEES, § 2.4.C.4

SHIFTING TAX CONSEQUENCES
DEFINED, ALLOCATION OF INCOME/LOSS, § 2.2.B.2

SHORT-FORM REGISTRATION RIGHTS
DEFINED, VENTURE CAPITAL (VC) INVESTMENTS, § 7.13.G.3

SIGNING BONUSES
EXECUTIVE COMPENSATION, § 5.2.C.1

SINGLE-MEMBER LLCs
TAXES, DISREGARDED ENTITIES, § 2.1.A.3

SINGLE-OWNER ENTITIES
EMPLOYER PAYROLL TAX WITHHOLDING, LIABILITY, § 8.3.B.5

SINGLE-TRIGGER ARRANGEMENTS
DEFINED, GOLDEN PARACHUTE, § 5.2.C.3

SOLE PROPRIETORSHIP
ENTITY CONVERSION, SOLE PROPRIETORSHIP INTO LLC, § 9.3
LLC TAXATION AS DISREGARDED ENTITIES, § 2.3

SPECIAL LITIGATION COMMITTEES (SLCs)
GENERALLY, § 6.6
DISCHARGE OF DUTIES, IN GOOD FAITH, INDEPENDENTLY, AND WITH REASONABLE CARE, § 6.6.A
IMPACT OF DECISION, § 6.6.B

SPLIT-DOLLAR INSURANCE
DEFINED, EXECUTIVE COMPENSATION, § 5.4.B.2

STANDARD OF REVIEW
SPECIAL LITIGATION COMMITTEES (SLCs), DISCHARGE OF DUTIES, § 6.6.A

STATE TAX IDENTIFICATION NUMBER
FORMATION PROCESS, § 3.4.A.2

STATEMENTS OF AUTHORITY
EFORMBOOK, § 3.3.E
NONMEMBER RELATIONSHIP TO THIRD PARTIES, § 4.7.B
REQUIREMENTS, § 3.3.E

STAYS
BANKRUPTCY
AUTOMATIC STAY, § 10.7.C.2
CREDITOR RELIEF FROM AUTOMATIC STAY, § 10.7.I
RECEIVERS AND RECEIVERSHIPS, STAY OF ACTION AGAINST PROPERTY, § 10.5.B.3

STOCK CONVERSION
VENTURE CAPITAL (VC), STOCK CONVERSION RATES, § 7.13.F.6

STOCK OPTIONS
EXECUTIVE COMPENSATION, EQUITY-BASED COMPENSATION, § 5.3
NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS, EXEMPT ARRANGEMENTS, § 5.5.B.3

SUBCHAPTER K
CAPITAL ACCOUNTS, SAFE HARBOR FOR TAXES, § 2.2.B.3
INTERNAL REVENUE CODE, LLC TAXATION AS PARTNERSHIP, § 2.2

SUBCHAPTER S CORPORATIONS
DEFINED, TAXES, § 2.4.C.1
LLC TAXATION AS CORPORATION, § 2.4.C
TAX ELECTIONS, FORM 2553, § 3.4.B.2

SUBSIDIARY ENTITIES
PIERCING LIABILITY SHIELD, APPLICATION OF DOCTRINE, § 8.4.E

SUBSTANTIAL ECONOMIC EFFECT
DEFINED, ALLOCATION OF INCOME/LOSS, § 2.2.B.2

SUCCESSOR LIABILITY
GENERALLY, § 8.7
EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA), § 8.7.C
LIABILITY FOR FORMER ENTITY OBLIGATIONS
GENERAL RULE, § 8.7.A
WHEN LIABLE, § 8.7.B
MEMBER LIABILITY, § 8.1
RETIREMENT AND PENSIONS, FEDERAL LAW, § 8.7.C
TAX IDENTIFICATION NUMBERS (TINs)
Formation process, § 3.4.A
LLC taxation as disregarded entities, § 2.3.A

TAXES
Generally, §§ 2.1 to 2.4
Allocation of income/loss
Capital account maintenance, § 2.2.B.3
Partner interest in partnership, § 2.2.B.4
Partnership agreement effect, § 2.2.B.1
Retroactivity, § 2.2.B.1
Substantial economic effect, § 2.2.B.2
Substantial economic effect vs. partner interest, § 2.2.B.4
Substantial vs. not substantial effect, § 2.2.B.2
Bankruptcy, claims allowance process, § 10.7.J.1

Basis
Adjustments and membership interest timing, § 2.2.D.5
Contributions and distributions, § 2.2.D.5
Inside vs. outside basis, § 2.2.D.1
Partner basis in partnership interest, § 2.2.D.3
Step ups by transfer or distribution, § 2.2.D.6
Year-end adjustments, § 2.2.D.5

Business income, exclusion from self-employment income, § 2.2.I.1
Capital interests, for contribution of services, § 2.2.E.2
Check-the-box regulations, § 2.1.A
Corporation treatment, § 2.1.A.1
Disregarded entities, § 2.1.A.3
History of LLCs, § 9.1.A
One-member LLCs, § 9.3
Partnership treatment, § 2.1.A.2

Compensation, members and Schedule K-1, § 2.2.H.4
Contributions of property
Allocation of tax on contributed property, § 2.2.G.1
Anti-mixing bowl rules, § 2.2.G.2
Disguised sales, § 2.2.E.4
Encumbered property, § 2.2.E.1.a
To investment companies, § 2.2.E.1.b
Deductibility of losses
Basis limitations, § 2.2.C.1
Passive losses, § 2.2.C.2
At risk limitations, § 2.2.C.1

Deductions, profits interests for services provided, § 5.3.B

Distribution
Entity tax on property distributions, § 2.2.G.3
Guaranteed payments, § 2.2.A.6
Payment to member in non-member capacity, § 2.2.F.7

Distributions
Hot assets, § 2.2.F.5
Marketable securities, § 2.2.F.3, § 2.2.F.4
Nonliquidating vs. liquidation distributions, § 2.2.F.1

Elections
Nonqualified deferred compensation arrangements, § 5.5.B.4.iii
Profits interests for services provided, § 5.3.B

Entity conversion
Advantages of LLC, § 9.2.A
Assets over form mergers, § 9.2.B.1
Assets up form mergers, § 9.2.B.2
Corporation into LLC treatment, § 9.5.H, § 9.7.B
Interest over form mergers, § 9.2.B.3
LLC into corporation tax treatment, § 2.4
LLC into corporation treatment, § 9.6
Partnership into LLC, § 9.4.E

Equity compensation, issuance of options, § 2.2.L.3
Exceptions to limited liability, employer payroll tax withholding, § 8.3.B

Executive compensation, § 5.1
Deductions for company, § 5.2.B
Equity-based compensation, § 5.3
Life insurance, § 5.4.B.2
Top hat plans, § 5.5.C.3

Formation process, tax elections, § 3.4.B
Fringe benefits, § 2.2.H.5

Guaranteed payments
Cash vs. accrual basis, § 2.2.F.6
To member on Schedule K-1, § 2.2.H.4

Income tax, payment and reporting, § 2.2.H.4
Income tax withholding, state law, § 8.3.C

Liabilities, partner basis in partnership interest, § 2.2.D.4
Liquidating distribution, loss recognition, § 2.2.F.3

LLC taxation as corporation, § 2.4
C corporation status, § 2.4.B
Election by Form 8832 vs. Form 2553, § 2.4.A
S corporation status, § 2.4.C

LLC taxation as disregarded entities, § 2.3
Adding member to single-member LLC, § 2.3.B
Tax identification numbers (TINs), § 2.3.A

LLC taxation as partnership, § 2.2
Allocation of income/loss, § 2.2.B
Allocation of tax on contributed property, § 2.2.G.1
Basis, § 2.2.D
Basis adjustments and membership interest timing, § 2.2.D.5
Characterization of income and expense, § 2.2.A.4
Contributions of property, § 2.2.E.1
Deductibility of losses, § 2.2.C
Distributions/payments to members, § 2.2.F
Distributive share of tax items, § 2.2.A.5

Equity compensation, § 2.2.L

IRS Form 1065, § 2.2.A.5

Liabilities, § 2.2.D

Member compensation/self-employment issues, § 2.2.H

Partner basis in partnership interest, § 2.2.D.2
Pass-through entities, § 2.2.A.1
Pass-through income, § 2.2.A.2
Pass-through losses, § 2.2.A.3

Schedule K-1, § 2.2.A.5

Self-employment tax on business income, § 2.2.I
Tax year, § 2.2.M

Technical termination under I.R.C., § 2.2.K
Termination of member interests, § 2.2.N
Transfer of member interest, § 2.2.J

Member compensation, employee status, § 2.2.H.1

Member-employee
Capital interests for services provided, § 5.3.A
Grant of capital/profits interests, § 5.3.C
Mergers
Assets over form, § 9.2.B.1
Corporation into LLC treatment, § 9.7.B
Entity conversion, § 9.2.B
LLC into corporation tax treatment, § 9.8.B

Nonqualified deferred compensation arrangements
FICA taxes, § 5.5.E
Section 409A requirements, § 5.5.B.4
Old LLC Act (Chapter 322B) vs. MBCA, § 1.2
Options, purchase LLC units for service, § 5.3.D
Partner basis in partnership interest, determination, § 2.2.D.3
Partnership treatment, § 2.1
Profits interest, contributions, § 2.2.E.3
Qualified retirement plans, § 5.4.A
Company tax treatment, § 5.4.A

S corporation status
Business income, § 2.4.C.5
Equity structure, § 2.4.C.3
Form 1120S and Schedule K-1, § 2.4.C.5
Owner limitations, § 2.4.C.2
Pass-through entities, § 2.4.C.1
Shareholder employees, § 2.4.C.4

SECA taxes, nonqualified deferred compensation arrangements, § 5.5.E
Self-Employed Contribution Act (SECA), § 5.3.C
Self-employment tax on business income
Application to LLC members, § 2.2.13
Classification of income, § 2.2.1.3
Exclusions from self-employment income, § 2.2.1.1
General vs. limited partners, § 2.2.1.2
Self-employment tax vs. FICA, § 2.2.1.3
Self-employment treatment, member compensation, § 2.2.1.1
Single-member LLCs, disregarded entities, § 2.1.A.3
Tax elections
Check-the-box, § 3.4.B.1
S Corporation, § 3.4.B.2
Tax-qualified employee benefits, § 5.4
Technical termination under I.R.C.
Effect of termination, § 2.2.K.2
Sale or exchange triggers, § 2.2.K.1
Termination of company, technical termination under I.R.C., § 2.2.K.2
Transfer of member interest, sales, § 2.2.J.1
Venture capital (VC)
Blocker corporations, § 7.13.F.2
Conversion provisions triggered by future events, § 7.13.F.3
Requiring LLC conversion to C corporation, § 7.13.F.1

TERMINATION OF COMPANY
Generally, §§ 10.1 to 10.7
Administrative termination, § 10.3
Assignment for benefit of creditors (ABC), § 10.6
Bankruptcy, § 10.7
Dissolution of LLC with members, statement of termination, § 10.2.C.2
Involuntary dissolution, § 10.4
Receivers and receiverships, § 10.5

Technically termination under I.R.C., effect, § 2.2.K.2
Voluntary dissolution, § 10.2

THIRD PARTIES
Members and management, relationship to, § 4.7
Piercing liability shield, § 8.4
Relationship of members and management to, § 4.7

363 SALES
Bankruptcy, § 10.7.K.2

TOP HAT PLANS
Defined, ERISA application, § 5.5.C.3

TOTALITY OF CIRCUMSTANCES
Special litigation committees (SLCs), independence and good faith, § 6.6.B

TRADE SECRETS
Employment agreements, nondisclosure, § 5.2.E

TRANSIERTORY TAX CONSEQUENCES
Defined, allocation of income/loss, § 2.2.B.2

TREASURER
Board management, appointment, § 4.5.D.3

TRUSTS
Nonqualified deferred compensation arrangements, Rabbi trusts, § 5.5.D.2

20-DAY CLAIMS
Bankruptcy, 503(b)(9) claims, § 10.7.C.3

UNFAIRLY PREJUDICIAL STANDARD
Oppression, minority members, § 6.4

UNIFORM LIMITED OFFERING EXEMPTION (ULOE)
State exemptions from securities registration, limited offerings, § 7.4.A

UNIT APPRECIATION RIGHTS (UAR)
Defined, executive compensation, § 5.3.F
Executive compensation, options, § 5.3.F

UNSECURED CLAIMS
Bankruptcy, claims allowance process, § 10.7.J.1

VALUATION
Venture capital (VC), pre-money evaluation of company, § 7.13.E

VENTURE CAPITAL (VC) INVESTMENT
Advising clients, business vs. legal issues with VC partners, § 7.13.B
Deal documents, § 7.13.G
Articles of organization, § 7.13.G.2
Operating agreements, § 7.13.G.3
Securities purchase agreement, § 7.13.G.1
Defined, § 7.13
Disadvantages of VC investment, § 7.13.C
Drag-along provisions, § 7.13.G.3
Due diligence, § 7.13.D
Pre-money evaluation of company, § 7.13.E
Entrepreneur perspective, § 7.13.B
Equity vs. debt investments, § 7.13.C
Financing sources, angel investors, § 7.9.C
Investment process, § 7.13.E
Investment terms, § 7.13.F
  Anti-dilution protection, § 7.13.F.7
  Blocker corporations, § 7.13.F.2
  Conversion provisions triggered by future events, § 7.13.F.3
  Dividend terms, § 7.13.F.4
  Protective provisions, § 7.13.F.8
  Ranking and priority, § 7.13.F.5
  Redemption rights on investor securities, § 7.13.F.9
  Requiring LLC conversion to C corporation, § 7.13.F.1
  Stock conversion rates, § 7.13.F.6
Investor governance rights, § 7.13.F.8
Investor perspective, § 7.13.A
Negatives for VC investors, § 7.13.D
Private capital formation, venture capital investments, § 7.13
Ratchet rights, § 7.13.F.7
Registration rights, expiration, § 7.13.G.3
Risk factors, § 7.13.A
Securities registration rights, § 7.13.G.3

**VETO**
Venture capital (VC), protective provisions, § 7.13.F.8

**VICTORIA ELEVATOR TEST**
Piercing liability shield, § 8.4.C
  Standards for applying, § 8.4.F

**VOLUNTARY DISSOLUTION**
Generally, § 10.2
Dissolution after initial member
  No additional members for 90 days, § 10.2.B
  Winding up under judicial supervision, § 10.2.B
Dissolution before having members, § 10.2.A
Dissolution of LLC with members, § 10.2.C
  Effect of dissolution, § 10.2.C.2
  Statement of dissolution, § 10.2.C.1
  Statement of termination, § 10.2.C.2
  Winding up process, § 10.2.C.2
LLCs formed under Old LLC Act (Chapter 322B), § 10.2.E
Notice to claimants, § 10.2.D
  Known claimants, § 10.2.D.1
  Publication of notice, § 10.2.D.2
Notice to known claimants
  Barred claims, § 10.2.D.1.b
  Delivery and form of notice, § 10.2.D.1.a
Publication to claimants
  Barred claims, § 10.2.D.2.b
  Form of notice, § 10.2.D.2.a

**VOTING RIGHTS**
Articles of incorporation, § 3.3.A
Board management, § 3.3.C.3
Board of governors
  Compensation, § 5.2.B
  Election of governors, § 4.5.B.4
Majority, determination, § 4.3.D
Manager managed vs. board managed, § 3.3.C.1
Member management, § 4.3.B

Revised Uniform Limited Liability Company Act (RULLCA), differences from Old LLC Act (Chapter 322B), § 1.5.D
Venture capital (VC), investor governance rights, § 7.13.F.8

**W**

**WILLFULNESS TEST**
Liability, payroll tax withholding, § 8.3.B.2

**WINDING UP**
Voluntary dissolution, dissolution of LLC with members, § 10.2.C.2

**WITHDRAWAL FROM COMPANY. See also DISSOCIATION**
Personal liability, personal guaranties, § 8.3.F

**WRITTEN DOCUMENTS**
Articles of organization s. operating agreement, drafting considerations, § 8.2.A.1.a
Assignment for benefit of creditors (ABC), requirements of transaction, § 10.6.A.1
Business plan, § 7.10.A
Member rights, right to information, § 6.7
Offering documents, § 7.10.B
Operating agreements, § 6.2
Venture capital (VC), deal documents, § 7.13.G

X, Y, Z