

REVISED UNIFORM LIMITED LIABILITY COMPANY ACT

drafted by the

**NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS**

and by it

**APPROVED AND RECOMMENDED FOR ENACTMENT
IN ALL THE STATES**

at its

**ANNUAL CONFERENCE
MEETING IN ITS ONE-HUNDRED-AND-FIFTEENTH YEAR
HILTON HEAD, SOUTH CAROLINA**

July 7-14, 2006

WITH PREFATORY NOTE AND COMMENTS

Copyright ©2006

By

**NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS**

December 4, 2006

**Table of Contents and Prefatory Note Only
(excerpt for the 2009 Summer Utah Bar Convention)**

Copies of this Act may be obtained from:

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS
211 E. Ontario Street, Suite 1300
Chicago, Illinois 60611
312/915-0195
www.nccusl.org

REVISED UNIFORM LIMITED LIABILITY COMPANY ACT

TABLE OF CONTENTS

PREFATORY NOTE..... 1

[ARTICLE] 1

GENERAL PROVISIONS

SECTION 101. SHORT TITLE**Error! Bookmark not defined.**
SECTION 102. DEFINITIONS.....**Error! Bookmark not defined.**
SECTION 103. KNOWLEDGE; NOTICE**Error! Bookmark not defined.**
SECTION 104. NATURE, PURPOSE, AND DURATION OF LIMITED LIABILITY
COMPANY.....**Error! Bookmark not defined.**
SECTION 105. POWERS**Error! Bookmark not defined.**
SECTION 106. GOVERNING LAW.....**Error! Bookmark not defined.**
SECTION 107. SUPPLEMENTAL PRINCIPLES OF LAW**Error! Bookmark not defined.**
SECTION 108. NAME.....**Error! Bookmark not defined.**
SECTION 109. RESERVATION OF NAME.....**Error! Bookmark not defined.**
SECTION 110. OPERATING AGREEMENT; SCOPE, FUNCTION, AND LIMITATIONS
.....**Error! Bookmark not defined.**
SECTION 111. OPERATING AGREEMENT; EFFECT ON LIMITED LIABILITY
COMPANY AND PERSONS BECOMING MEMBERS; PRE-FORMATION
AGREEMENT**Error! Bookmark not defined.**
SECTION 112. OPERATING AGREEMENT; EFFECT ON THIRD PARTIES AND
RELATIONSHIP TO RECORDS EFFECTIVE ON BEHALF OF LIMITED
LIABILITY COMPANY.....**Error! Bookmark not defined.**
SECTION 113. OFFICE AND AGENT FOR SERVICE OF PROCESS.. **Error! Bookmark not
defined.**
SECTION 114. CHANGE OF DESIGNATED OFFICE OR AGENT FOR SERVICE OF
PROCESS**Error! Bookmark not defined.**
SECTION 115. RESIGNATION OF AGENT FOR SERVICE OF PROCESS**Error! Bookmark
not defined.**
SECTION 116. SERVICE OF PROCESS.....**Error! Bookmark not defined.**

[ARTICLE] 2

FORMATION; CERTIFICATE OF ORGANIZATION AND OTHER FILINGS

SECTION 201. FORMATION OF LIMITED LIABILITY COMPANY; CERTIFICATE
OF ORGANIZATION**Error! Bookmark not defined.**
SECTION 202. AMENDMENT OR RESTATEMENT OF CERTIFICATE OF
ORGANIZATION**Error! Bookmark not defined.**
SECTION 203. SIGNING OF RECORDS TO BE DELIVERED FOR FILING TO
[SECRETARY OF STATE].....**Error! Bookmark not defined.**
SECTION 204. SIGNING AND FILING PURSUANT TO JUDICIAL ORDER **Error!
Bookmark not defined.**

- SECTION 205. DELIVERY TO AND FILING OF RECORDS BY [SECRETARY OF STATE]; EFFECTIVE TIME AND DATE**Error! Bookmark not defined.**
- SECTION 206. CORRECTING FILED RECORD.....**Error! Bookmark not defined.**
- SECTION 207. LIABILITY FOR INACCURATE INFORMATION IN FILED RECORD**Error! Bookmark not defined.**
- SECTION 208. CERTIFICATE OF EXISTENCE OR AUTHORIZATION...**Error! Bookmark not defined.**
- SECTION 209. ANNUAL REPORT FOR [SECRETARY OF STATE].. **Error! Bookmark not defined.**

[ARTICLE] 3

RELATIONS OF MEMBERS AND MANAGERS

TO PERSONS DEALING WITH LIMITED LIABILITY COMPANY

- SECTION 301. NO AGENCY POWER OF MEMBER AS MEMBER ... **Error! Bookmark not defined.**
- SECTION 302. STATEMENT OF AUTHORITY**Error! Bookmark not defined.**
- SECTION 303. STATEMENT OF DENIAL.....**Error! Bookmark not defined.**
- SECTION 304. LIABILITY OF MEMBERS AND MANAGERS **Error! Bookmark not defined.**

[ARTICLE] 4

RELATIONS OF MEMBERS TO EACH OTHER AND

TO LIMITED LIABILITY COMPANY

- SECTION 401. BECOMING MEMBER**Error! Bookmark not defined.**
- SECTION 402. FORM OF CONTRIBUTION**Error! Bookmark not defined.**
- SECTION 403. LIABILITY FOR CONTRIBUTIONS**Error! Bookmark not defined.**
- SECTION 404. SHARING OF AND RIGHT TO DISTRIBUTIONS BEFORE DISSOLUTION**Error! Bookmark not defined.**
- SECTION 405. LIMITATIONS ON DISTRIBUTION**Error! Bookmark not defined.**
- SECTION 406. LIABILITY FOR IMPROPER DISTRIBUTIONS **Error! Bookmark not defined.**
- SECTION 407. MANAGEMENT OF LIMITED LIABILITY COMPANY ...**Error! Bookmark not defined.**
- SECTION 408. INDEMNIFICATION AND INSURANCE**Error! Bookmark not defined.**
- SECTION 409. STANDARDS OF CONDUCT FOR MEMBERS AND MANAGERS.... **Error! Bookmark not defined.**
- SECTION 410. RIGHT OF MEMBERS, MANAGERS, AND DISSOCIATED MEMBERS TO INFORMATION.....**Error! Bookmark not defined.**

[ARTICLE] 5

TRANSFERABLE INTERESTS AND RIGHTS OF TRANSFEREES AND CREDITORS

- SECTION 501. NATURE OF TRANSFERABLE INTEREST...**Error! Bookmark not defined.**

- SECTION 502. TRANSFER OF TRANSFERABLE INTEREST **Error! Bookmark not defined.**
- SECTION 503. CHARGING ORDER**Error! Bookmark not defined.**
- SECTION 504. POWER OF PERSONAL REPRESENTATIVE OF DECEASED MEMBER
.....**Error! Bookmark not defined.**

[ARTICLE] 6

MEMBER’S DISSOCIATION

- SECTION 601. MEMBER’S POWER TO DISSOCIATE; WRONGFUL DISSOCIATION
.....**Error! Bookmark not defined.**
- SECTION 602. EVENTS CAUSING DISSOCIATION.....**Error! Bookmark not defined.**
- SECTION 603. EFFECT OF PERSON’S DISSOCIATION AS MEMBER....**Error! Bookmark not defined.**

[ARTICLE] 7

DISSOLUTION AND WINDING UP

- SECTION 701. EVENTS CAUSING DISSOLUTION**Error! Bookmark not defined.**
- SECTION 702. WINDING UP.....**Error! Bookmark not defined.**
- SECTION 703. KNOWN CLAIMS AGAINST DISSOLVED LIMITED LIABILITY
COMPANY.....**Error! Bookmark not defined.**
- SECTION 704. OTHER CLAIMS AGAINST DISSOLVED LIMITED LIABILITY
COMPANY.....**Error! Bookmark not defined.**
- SECTION 705. ADMINISTRATIVE DISSOLUTION**Error! Bookmark not defined.**
- SECTION 706. REINSTATEMENT FOLLOWING ADMINISTRATIVE DISSOLUTION
.....**Error! Bookmark not defined.**
- SECTION 707. APPEAL FROM REJECTION OF REINSTATEMENT. **Error! Bookmark not defined.**
- SECTION 708. DISTRIBUTION OF ASSETS IN WINDING UP LIMITED LIABILITY
COMPANY’S ACTIVITIES**Error! Bookmark not defined.**

[ARTICLE] 8

FOREIGN LIMITED LIABILITY COMPANIES

- SECTION 801. GOVERNING LAW**Error! Bookmark not defined.**
- SECTION 802. APPLICATION FOR CERTIFICATE OF AUTHORITY**Error! Bookmark not defined.**
- SECTION 803. ACTIVITIES NOT CONSTITUTING TRANSACTING BUSINESS **Error! Bookmark not defined.**
- SECTION 804. FILING OF CERTIFICATE OF AUTHORITY **Error! Bookmark not defined.**
- SECTION 805. NONCOMPLYING NAME OF FOREIGN LIMITED LIABILITY
COMPANY.....**Error! Bookmark not defined.**
- SECTION 806. REVOCATION OF CERTIFICATE OF AUTHORITY.. **Error! Bookmark not defined.**

SECTION 807. CANCELLATION OF CERTIFICATE OF AUTHORITY....**Error! Bookmark not defined.**
SECTION 808. EFFECT OF FAILURE TO HAVE CERTIFICATE OF AUTHORITY... **Error! Bookmark not defined.**
SECTION 809. ACTION BY [ATTORNEY GENERAL],**Error! Bookmark not defined.**

[ARTICLE] 9

ACTIONS BY MEMBERS

SECTION 901. DIRECT ACTION BY MEMBER**Error! Bookmark not defined.**
SECTION 902. DERIVATIVE ACTION**Error! Bookmark not defined.**
SECTION 903. PROPER PLAINTIFF**Error! Bookmark not defined.**
SECTION 904. PLEADING.....**Error! Bookmark not defined.**
SECTION 905. SPECIAL LITIGATION COMMITTEE.....**Error! Bookmark not defined.**
SECTION 906. PROCEEDS AND EXPENSES.....**Error! Bookmark not defined.**

[ARTICLE] 10

MERGER, CONVERSION, AND DOMESTICATION

SECTION 1001. DEFINITIONS.....**Error! Bookmark not defined.**
SECTION 1002. MERGER.....**Error! Bookmark not defined.**
SECTION 1003. ACTION ON PLAN OF MERGER BY CONSTITUENT LIMITED LIABILITY COMPANY**Error! Bookmark not defined.**
SECTION 1004. FILINGS REQUIRED FOR MERGER; EFFECTIVE DATE..... **Error! Bookmark not defined.**
SECTION 1005. EFFECT OF MERGER**Error! Bookmark not defined.**
SECTION 1006. CONVERSION.....**Error! Bookmark not defined.**
SECTION 1007. ACTION ON PLAN OF CONVERSION BY CONVERTING LIMITED LIABILITY COMPANY**Error! Bookmark not defined.**
SECTION 1008. FILINGS REQUIRED FOR CONVERSION; EFFECTIVE DATE..... **Error! Bookmark not defined.**
SECTION 1009. EFFECT OF CONVERSION**Error! Bookmark not defined.**
SECTION 1010. DOMESTICATION.....**Error! Bookmark not defined.**
SECTION 1011. ACTION ON PLAN OF DOMESTICATION BY DOMESTICATING LIMITED LIABILITY COMPANY**Error! Bookmark not defined.**
SECTION 1012. FILINGS REQUIRED FOR DOMESTICATION; EFFECTIVE DATE. **Error! Bookmark not defined.**
SECTION 1013. EFFECT OF DOMESTICATION**Error! Bookmark not defined.**
SECTION 1014. RESTRICTIONS ON APPROVAL OF MERGERS, CONVERSIONS, AND DOMESTICATIONS.....**Error! Bookmark not defined.**
SECTION 1015. [ARTICLE] NOT EXCLUSIVE.....**Error! Bookmark not defined.**

[ARTICLE] 11

MISCELLANEOUS PROVISIONS

SECTION 1101. UNIFORMITY OF APPLICATION AND CONSTRUCTION..... **Error!**
Bookmark not defined.

SECTION 1102. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND
NATIONAL COMMERCE ACT**Error! Bookmark not defined.**

SECTION 1103. SAVINGS CLAUSE.....**Error! Bookmark not defined.**

SECTION 1104. APPLICATION TO EXISTING RELATIONSHIPS **Error! Bookmark not
defined.**

SECTION 1105. REPEALS**Error! Bookmark not defined.**

SECTION 1106. EFFECTIVE DATE.....**Error! Bookmark not defined.**

REVISED UNIFORM LIMITED LIABILITY COMPANY ACT

PREFATORY NOTE

*Background to this Act:
Developments since the Conference Considered and Approved the Original
Uniform Limited Liability Company Act (ULLCA)*

The Uniform Limited Liability Company Act (“ULLCA”) was conceived in 1992 and first adopted by the Conference in 1994. By that time nearly every state had adopted an LLC statute, and those statutes varied considerably in both form and substance. Many of those early statutes were based on the first version of the ABA Model Prototype LLC Act.

ULLCA’s drafting relied substantially on the then recently adopted Revised Uniform Partnership Act (“RUPA”), and this reliance was especially heavy with regard to member-managed LLCs. ULLCA’s provisions for manager-managed LLCs comprised an amalgam fashioned from the 1985 Revised Uniform Limited Partnership Act (“RULPA”) and the Model Business Corporation Act (“MBCA”). ULLCA’s provisions were also significantly influenced by the then-applicable federal tax classification regulations, which classified an unincorporated organization as a corporation if the organization more nearly resembled a corporation than a partnership. Those same regulations also made the tax classification of single-member LLCs problematic.

Much has changed. All states and the District of Columbia have adopted LLC statutes, and many LLC statutes have been substantially amended several times. LLC filings are significant in every U.S. jurisdiction, and in many states new LLC filings approach or even outnumber new corporate filings on an annual basis. Manager-managed LLCs have become a significant factor in non-publicly-traded capital markets, and increasing numbers of states provide for mergers and conversions involving LLCs and other unincorporated entities.

In 1997, the tax classification context changed radically, when the IRS’ “check-the-box” regulations became effective. Under these regulations, an “unincorporated” business entity is taxed either as a partnership or disregarded entity (depending upon the number of owners) unless it elects to be taxed as a corporation. Exceptions exist (e.g., entities whose interests are publicly-traded), but, in general, tax classification concerns no longer constrain the structure of LLCs and the content of LLC statutes. Single-member LLCs, once suspect because novel and of uncertain tax status, are now popular both for sole proprietorships and as corporate subsidiaries.

In 1995, the Conference amended RUPA to add “full-shield” LLP provisions, and today every state has some form of LLP legislation (either through a RUPA adoption or shield-related revisions to a UPA-based statute). While some states still provide only a “partial shield” for LLPs, many states have adopted “full shield” LLP provisions. In full-shield jurisdictions, LLPs and member-managed LLCs offer entrepreneurs very similar attributes and, in the case of professional service organizations, LLPs may dominate the field.

ULLCA was revised in 1996 in anticipation of the “check the box” regulations and has been adopted in a number of states. In many non-ULLCA states, the LLC statute includes

RUPA-like provisions. However, state LLC laws are far from uniform.

Eighteen years have passed since the IRS issued its gate-opening Revenue Ruling 88-76, declaring that a Wyoming LLC would be taxed as a partnership despite the entity's corporate-like liability shield. More than eight years have passed since the IRS opened the gate still further with the "check the box" regulations. It is an opportune moment to identify the best elements of the myriad "first generation" LLC statutes and to infuse those elements into a new, "second generation" uniform act.

Noteworthy Provisions of the New Act

The Revised Uniform Limited Company Act is drafted to replace a state's current LLC statute, whether or not that statute is based on ULLCA. The new Act's noteworthy provisions concern:

- the operating agreement
- fiduciary duty
- the ability to "pre-file" a certificate of organization without having a member at the time of the filing
- the power of a member or manager to bind the limited liability company
- default rules on management structure
- charging orders
- a remedy for oppressive conduct
- derivative claims and special litigation committees
- organic transactions – mergers, conversions, and domestications

The Operating Agreement: Like the partnership agreement in a general or limited partnership, an LLC's operating agreement serves as the foundational contract among the entity's owners. RUPA pioneered the notion of centralizing all statutory provisions pertaining to the foundational contract, and – like ULLCA and ULPA (2001) – the new Act continues that approach. However, because an operating agreement raises issues too numerous and complex to include easily in a single section, the new Act uses three related sections to address the operating agreement:

- Section 110 – scope, function, and limitations;
- Section 111 – effect on limited liability company and persons becoming members; preformation agreement; and
- Section 112 – effect on third parties and relationship to records effective on behalf of limited liability company.

The new Act also contains a number of substantive innovations concerning the operating agreement, including:

- better delineating the extent to which the operating agreement can define, alter, or even eliminate aspects of fiduciary duty;
- expressly authorizing the operating agreement to relieve members and managers from

liability for money damages arising from breach of duty, subject to specific limitations; and

- stating specific rules for applying the statutory phrase “manifestly unreasonable” and thereby providing clear guidance for courts considering whether to invalidate operating agreement provisions that address fiduciary duty and other sensitive matters.

Fiduciary Duty: RUPA also pioneered the idea of codifying partners’ fiduciary duties in order to protect the partnership agreement from judicial second-guessing. This approach – to “cabin in” (or corral) fiduciary duty – was followed in ULLCA and ULPA (2001). In contrast, the new Act recognizes that, at least in the realm of limited liability companies:

- the “cabin in” approach creates more problems than it solves (e.g., by putting inordinate pressure on the concept of “good faith and fair dealing”); and
- the better way to protect the operating agreement from judicial second-guessing is to:
 - * increase and clarify the power of the operating agreement to define or re-shape fiduciary duties (including the power to eliminate aspects of fiduciary duties); and
 - * provide some guidance to courts when a person seeks to escape an agreement by claiming its provisions are “manifestly unreasonable.”

Accordingly, the new Act codifies major fiduciary duties but does not purport to do so exhaustively. *See* Section 409.

The Ability to “Pre-File” a Certificate of Organization: The Comments to Section 201 explain in detail how the new Act resolves the difficult question of the “shelf LLC” – i.e., an LLC formed without having at least one member upon formation. In short, the Act: (i) permits an organizer to file a certificate of organization without a person “waiting in the wings” to become a member upon formation; but (ii) provides that the LLC is not formed until and unless at least one person becomes a member and the organizer makes a second filing stating that the LLC has at least one member.

The Power of a Member or Manager to Bind the Limited Liability Company: In 1914, the original Uniform Partnership Act codified a particular type of apparent authority by position, providing that “[t]he act of every partner ... for apparently carrying on in the usual way the business of the partnership binds the partnership” This concept of “statutory apparent authority” applies by linkage in the 1916 Uniform Limited Partnership Act and the 1976/85 Revised Uniform Limited Partnership Act and appears in RUPA, ULLCA, ULPA (2001), and almost every LLC statute in the United States.

The concept makes good sense for general and limited partnerships. A third party dealing with either type of partnership can know by the formal name of the entity and by a person’s status as general or limited partner whether the person has the power to bind the entity.

The concept does not make sense for modern LLC law, because: (i) an LLC’s status as member-managed or manager-managed is not apparent from the LLC’s name (creating traps for unwary third parties); and (ii) although most LLC statutes provide templates for member-management and manager-management, variability of management structure is a key strength of

the LLC as a form of business organization.

The new Act recognizes that “statutory apparent authority” is an attribute of partnership formality that does not belong in an LLC statute. Section 301(a) provides that “a member is not an agent of the limited liability company solely by reason of being a member.” Other law – most especially the law of agency – will handle power-to-bind questions.

Although conceptually innovative, this approach will not significantly alter the commercial reality that exists between limited liability companies and third parties, because:

1. The vast majority of interactions between limited liability companies and “third parties” are quotidian and transpire without agency law issues being recognized by the parties, let alone disputed.
2. When a limited liability company enters into a major transaction with a sophisticated third party, the third party never relies on statutory apparent authority to determine that the person purporting to act for the limited liability company has the authority to do so.
3. Most LLCs use employees to carry out most of the LLC’s dealings with third parties. In that context, the agency power of members and managers is usually irrelevant. (If an employee’s authority is contested and the employee “reports to” a member or manager, the member or manager’s authority will be relevant to determining the employee’s authority. However, in that situation, agency law principles will suffice to delineate the manager or member’s supervisory authority.)
4. Very few current LLC statutes contain rules for attributing to an LLC the wrongful acts of the LLC’s members or managers. *Compare* RUPA § 305. In this realm, this Act merely acknowledges pre-existing reality.
5. As explained in detail in the Comments to section 301 and 407(c), agency law principles are well-suited to the tasks resulting from the “de-codification” of apparent authority by position.

The moment is opportune for this reform. The newly-issued Restatement (Third) of Agency gives substantial attention to the power of an enterprise’s participants to bind the enterprise. In addition, the new Act has “souped up” RUPA’s statement of authority to permit an LLC to publicly file a statement of authority for a position (not merely a particular person). Statements of authority will enable LLCs to provide reliable documentation of authority to enter into transactions without having to disclose to third parties the entirety of the operating agreement. (The new Act also has eliminated prolix provisions that sought to restate agency law rules on notice and knowledge.)

Default Rules on Management Structure: The new Act retains the manager-managed and member-managed constructs as options for members to use in configuring their *inter se* relationship, and the operating agreement is the vehicle by which the members make and state their choice of management structure. Given the elimination of statutory apparent authority, it is unnecessary and could be confusing to require the articles of organization to state the members’ determination on this point.

Charging Orders: The charging order mechanism: (i) dates back to the 1914 Uniform

Partnership Act and the English Partnership Act of 1890; and (ii) is an essential part of the “pick your partner” approach that is fundamental to the law of unincorporated businesses. The new Act continues the charging order mechanism, but modernizes the statutory language so that the language (and its protections against outside interference in an LLC’s activities) can be readily understood.

A Remedy for Oppressive Conduct: Reflecting case law developments around the country, the new Act permits a member (but not a transferee) to seek a court order “dissolving the company on the grounds that the managers or those members in control of the company ... have acted or are acting in a manner that is oppressive and was, is, or will be directly harmful to the [member].” Section 701(5)(B). This provision is necessary given the perpetual duration of an LLC formed under this Act, Section 104(c), and this Act’s elimination of the “put right” provided by ULLCA, § 701.

Derivative Claims and Special Litigation Committees: The new Act contains modern provisions addressing derivative litigation, including a provision authorizing special litigation committees and subjecting their composition and conduct to judicial review.

Organic Transactions – Mergers, Conversions, and Domestications: The new Act has comprehensive, self-contained provisions for these transactions, including “inter-species” transactions.

No Provision for “Series” LLCs

The new Act also has a very noteworthy omission; it does not authorize “series LLCs.” Under a series approach, a single limited liability company may establish and contain within itself separate series. Each series is treated as an enterprise separate from each other and from the LLC itself. Each series has associated with it specified members, assets, and obligations, and – due to what have been called “internal shields” – the obligations of one series are not the obligation of any other series or of the LLC.

Delaware pioneered the series concept, and the concept has apparently been quite useful in structuring certain types of investment funds and in arranging complex financing. Other states have followed Delaware’s lead, but a number of difficult and substantial questions remain unanswered, including:

- *conceptual* – How can a series be – and expect to be treated as – a separate legal person for liability and other purposes if the series is defined as part of another legal person?
- *bankruptcy* – Bankruptcy law has not recognized the series as a separate legal person. If a series becomes insolvent, will the entire LLC and the other series become part of the bankruptcy proceedings? Will a bankruptcy court consolidate the assets and liabilities of the separate series?
- *efficacy of the internal shields in the courts of other states* – Will the internal shields be respected in the courts of states whose LLC statutes do not recognize series? Most LLC

statutes provide that “foreign law governs” the liability of members of a foreign LLC. However, those provisions do not apply to the series question, because those provisions pertain to the liability of a member for the obligations of the LLC. For a series LLC, the pivotal question is entirely different – namely, whether some assets of an LLC should be immune from some of the creditors of the LLC.

- *tax treatment* – Will the IRS and the states treat each series separately? Will separate returns be filed? May one series “check the box” for corporate tax classification and the others not?
- *securities law* – Given the panoply of unanswered questions, what types of disclosures must be made when a membership interest is subject to securities law?

The Drafting Committee considered a series proposal at its February 2006 meeting, but, after serious discussion, no one was willing to urge adoption of the proposal, even for the limited purposes of further discussion. Given the availability of well-established alternate structures (e.g., multiple single member LLCs, an LLC “holding company” with LLC subsidiaries), it made no sense for the Act to endorse the complexities and risks of a series approach.