

SENATE BILL NO. 347

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Introduced: 3/9/94
Referred: L&C, JUD

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to limited liability companies; amending Alaska Rules of Civil
2 Procedure 20 and 24; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 10 is amended by adding a new chapter to read:

5 CHAPTER 50. LIMITED LIABILITY COMPANY ACT.

6 ARTICLE 1. PURPOSES AND ACTIVITIES.

7 Sec. 10.50.010. AUTHORIZED PURPOSES. A limited liability company may
8 be organized under this chapter for any lawful purpose.

9 Sec. 10.50.015. COMPLIANCE WITH OTHER LAWS. If an activity of a
10 limited liability company or the purpose for which a limited liability company is
11 organized is subject to another provision of law, the company shall also comply with
12 the other provision of law.

13 ARTICLE 2. NAME; REGISTERED OFFICE AND AGENT;

14 SERVICE OF PROCESS.

1 Sec. 10.50.020. LIMITED LIABILITY COMPANY NAME. (a) The name
2 of a limited liability company stated in the company's articles of organization must
3 contain the words "limited liability company" or the abbreviation "L.L.C.," or "LLC".
4 The word "limited" may be abbreviated as "Ltd.," and the word "company" may be
5 abbreviated as "Co."

6 (b) The name of a city, borough, or village may be used in a limited liability
7 company name; however, the name may not contain the word "city," "borough," or
8 "village" or otherwise imply that the company is a municipality.

9 (c) A person may not adopt a name that contains the words "limited liability
10 company" unless the person is organized under this chapter or is registered as a foreign
11 limited liability company under this chapter.

12 Sec. 10.50.025. DISTINGUISHABLE NAMES. The name of a limited
13 liability company must be distinguishable on the records of the department from

14 (1) the name of a limited liability company, limited partnership, or
15 corporation organized under the laws of this state;

16 (2) the name of a foreign limited liability company that is registered
17 under this chapter;

18 (3) the name of a foreign corporation that is authorized to transact
19 business in this state;

20 (4) a name reserved or registered under AS 10.06.110 - 10.06.145; or

21 (5) a name reserved under AS 10.35 or AS 10.50.030.

22 Sec. 10.50.030. RIGHT TO RESERVE NAME. The exclusive right to use a
23 name may be reserved by a

24 (1) person intending to organize a limited liability company and to
25 adopt the name;

26 (2) person intending to organize a foreign limited liability company and
27 to register under this chapter;

28 (3) limited liability company, or a foreign limited liability company
29 registered under this chapter, that intends to change its name; or

30 (4) foreign limited liability company that intends to register under this
31 chapter and to adopt the name.

1 Sec. 10.50.035. PROCEDURE FOR RESERVING NAME. To reserve a
2 name, a person shall file an application with the department to reserve the name. If
3 the department finds that the person qualifies under AS 10.50.030 to reserve a name
4 and that the name is available for use by a limited liability company or a foreign
5 limited liability company, the department shall reserve the name for the exclusive use
6 of the person for a period of 120 days.

7 Sec. 10.50.040. TRANSFER OF RESERVED NAME. The holder of a right
8 to the exclusive use of a name reserved under AS 10.50.030 may transfer the right to
9 use the name to another person by filing with the department a notice of the transfer.
10 The transfer shall be signed by the holder and must give the name and address of the
11 transferee.

12 Sec. 10.50.045. REGISTERED OFFICE AND REGISTERED AGENT. (a)
13 A limited liability company shall continuously maintain in this state a registered office.
14 The office may be the same as the place of business of the company.

15 (b) A limited liability company shall continuously maintain in this state an
16 agent for the service of process on the company. The agent must be an individual
17 resident of this state, a corporation organized under the laws of this state, or a foreign
18 corporation authorized under the laws of this state to transact business in this state.

19 Sec. 10.50.050. CHANGE OF REGISTERED OFFICE, AGENT, OR AGENT
20 ADDRESS. (a) A limited liability company may change its registered office or
21 agent, or both, by delivering to the department a document stating

- 22 (1) the name of the company;
23 (2) the address of the company's current registered office;
24 (3) the address of the company's new registered office if the address
25 is to be changed;
26 (4) the name and address of the company's current registered agent;
27 (5) the name and address of the company's successor registered agent
28 or the registered agent's new address if the registered agent or the registered agent's
29 address is to be changed; and

30 (6) that the change is authorized by the manager of the company or,
31 if an operating agreement of the company does not name a manager for the company,

1 by a majority of all the members of the company.

2 (b) A registered agent may change the agent's address by delivering a
3 statement to the department as required by (a) of this section. Only the registered
4 agent's signature is required for the statement authorized by this subsection. The
5 statement must state that a copy of the statement has been mailed to the limited
6 liability company.

7 Sec. 10.50.055. EFFECTIVE DATE OF CHANGE. Except as provided in
8 AS 10.50.060 - 10.50.065, a change of the registered office, agent, or agent address
9 of a limited liability company is effective when the statement required under
10 AS 10.50.050 is filed with the department.

11 Sec. 10.50.060. RESIGNATION OF REGISTERED AGENT. The registered
12 agent of a limited liability company may resign as registered agent by delivering a
13 written notice of the resignation to the department. The department shall mail a copy
14 of the notice to the company at its registered office. The appointment of the registered
15 agent terminates 30 days after the department receives the notice of resignation or the
16 company changes its successor registered agent under AS 10.50.050, whichever event
17 is earlier.

18 Sec. 10.50.065. APPOINTMENT OF COMMISSIONER AS AGENT. (a) If
19 a limited liability company fails to appoint or maintain a registered agent in this state,
20 or if its registered agent cannot, with reasonable diligence, be found at the registered
21 office, the commissioner of commerce and economic development is the agent of the
22 company upon whom the process, notice, or demand may be served.

23 (b) A person may serve the commissioner under (a) of this section by

24 (1) serving on the commissioner or the designee of the commissioner
25 a copy of the process, notice, or demand, with any papers required by law to be
26 delivered in connection with the service, and the fee established by the department by
27 regulation;

28 (2) sending by certified mail to the limited liability company being
29 served a notice that service has been made on the commissioner under this subsection
30 and a copy of the process, notice, or demand and accompanying papers; notice to the
31 limited liability company shall be sent to

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

(A) the address of the last registered office of the company as shown by the records on file with the department; and

(B) the address, the use of which the person initiating the proceedings knows or, on the basis of reasonable inquiry, has reason to believe is most likely to result in actual notice; and

(3) filing with the appropriate court or other body, as part of the return of service, the return receipt of mailing and an affidavit of the person initiating the proceedings that this section has been complied with.

(c) The commissioner shall keep a record of processes, notices, and demands served upon the commissioner under this section.

(d) This section does not affect the right to serve process, notice, or demand required or permitted by law to be served upon a limited liability company in another manner permitted by law.

ARTICLE 3. ORGANIZATION AND DURATION.

Sec. 10.50.070. ORGANIZERS. One or more persons may organize a limited liability company by signing articles of organization and delivering the signed articles to the department for filing. A person who organizes a limited liability company may be a person who is not a member of the company when the company is organized or after the company is organized.

Sec. 10.50.075. CONTENTS OF ARTICLES OF ORGANIZATION. The articles of organization must state

- (1) the name of the limited liability company;
- (2) the mailing address of the company's registered office and the name and business, residence, or mailing address of the company's registered agent;
- (3) if an election has been made that the existence of the company will continue until a certain date or event, a statement of the election and the date or event;
- (4) if applicable, that the company will be managed by the persons named as managers in the articles; and
- (5) another provision that is consistent with this chapter and the laws of this state and that the persons organizing the company elect to state in the articles of organization for the regulation of the internal affairs of the company.

1 Sec. 10.50.080. EFFECTIVE DATE OF ORGANIZATION. (a) A limited
2 liability company is organized when the articles of organization are delivered to the
3 department for filing under AS 10.50.840 even if the department is not able at the time
4 of delivery to make the determination required under AS 10.50.840(a) for filing.

5 (b) If the articles of organization, as delivered to the department, do not
6 conform to the requirements of this chapter and are not brought into conformity within
7 the time period established by AS 10.50.840(b)(2), the existence of the limited liability
8 company terminates at the end of the time period for conformity.

9 Sec. 10.50.085. ELECTION OF DURATION. (a) If an election to continue
10 the existence of a limited liability company until a certain date or event is made and
11 stated in the articles of organization, the company's existence continues until the date
12 or event unless the company is dissolved under AS 10.50.400 for a reason that can
13 cause dissolution while the election is in effect.

14 (b) An election under (a) of this section may not be revoked unless the
15 election is revoked by the persons, if any, who are identified in the election at the time
16 the election is made as having the power to revoke the election.

17 (c) An election under (a) of this section may expressly limit the membership
18 terminations that can cause dissolution under AS 10.50.400(3).

19 Sec. 10.50.090. CONCLUSIVE EVIDENCE OF COMPLIANCE. A copy of
20 the articles of organization that is stamped "filed" and marked with the filing date is
21 conclusive evidence that the organizers of the limited liability company have complied
22 with all conditions precedent required to be performed by the organizers and that the
23 company has been organized under this chapter.

24 ARTICLE 4. AMENDMENT OF ARTICLES.

25 Sec. 10.50.100. AMENDMENT OF ARTICLES. (a) A limited liability
26 company may amend its articles of organization in any respect if the articles as
27 amended contain only the provisions that are required or permitted by this chapter to
28 be included in the original articles of organization at the time of the amendment.

29 (b) A limited liability company may amend its articles of organization by filing
30 articles of amendment with the department. The articles of amendment must state the

31 (1) name of the company;

- 1 (2) date the articles of organization were filed; and
- 2 (3) amendment adopted by the company.

3 Sec. 10.50.105. RESTATEMENT OF ARTICLES. A limited liability
4 company may restate its articles of organization at any time. The company shall file
5 its restated articles with the department. The restated articles of organization must be
6 specifically designated as restated articles in the title to the restated articles and must
7 state, either in the title or in an introductory paragraph, the

- 8 (1) company's present and, if the name is changed, all of the
9 company's former names; and
- 10 (2) date of the filing of the company's original articles of organization.

11 ARTICLE 5. MANAGEMENT.

12 Sec. 10.50.110. MANAGEMENT GENERALLY. (a) Except as otherwise
13 provided by this chapter, the members of a limited liability company manage the
14 affairs and make the decisions of the company unless an operating agreement of the
15 company names a manager for the company. Management by the members is subject
16 to a provision in an operating agreement or this chapter limiting or increasing the
17 management rights and duties of the members, including limits or increases placed on
18 a class of members or an individual member.

19 (b) If an operating agreement of a limited liability company names a manager
20 for the company, the manager has the exclusive power to manage the affairs of the
21 company to the extent authorized by the operating agreement.

22 Sec. 10.50.115. APPOINTMENT, REMOVAL, AND REPLACEMENT OF
23 MANAGERS. Except as otherwise provided in an operating agreement of a limited
24 liability company, a manager of the company may not be appointed, removed, or
25 replaced, unless more than one-half of all of the members of the company authorize
26 the appointment, removal, or replacement.

27 Sec. 10.50.120. MANAGER ELIGIBILITY. Unless otherwise provided in an
28 operating agreement of the company, a manager of a limited liability company may
29 be a person who is not an individual or a member of the company.

30 Sec. 10.50.125. TENURE OF MANAGER. Unless otherwise provided in an
31 operating agreement of the company, a manager of a limited liability company holds

1 office until the manager's successor is elected and qualified, unless the manager
2 resigns or is removed earlier.

3 Sec. 10.50.130. LIMITATION OF MEMBER FIDUCIARY DUTY. Unless
4 otherwise provided in an operating agreement of the company, if a person is a member
5 of a limited liability company that is managed by a manager and if the person is not
6 a manager, the person does not have the fiduciary duty of a manager to the company
7 or to the other members of the company when the person acts solely in the capacity
8 of a member.

9 Sec. 10.50.140. DUTY OF MANAGERS AND MANAGING MEMBERS TO
10 ACCOUNT. (a) Unless otherwise provided in an operating agreement of the
11 company, a manager or member of a limited liability company shall account to the
12 company for, and hold as trustee for the company, a profit or other benefit that the
13 manager or member derives without the consent described in (b) of this section if the
14 profit or benefit results from a

15 (1) use by the manager or member of the property of the company,
16 including confidential or proprietary information of the company or other matters
17 entrusted to the manager or member as a result of being a manager or member of the
18 company; or

19 (2) transaction connected with the conduct or winding up of the
20 company.

21 (b) The consent required by (a) of this section is the consent of more than
22 one-half of all of the

23 (1) disinterested managers if an operating agreement of the company
24 names a manager for the company;

25 (2) other members of the company if an operating agreement of the
26 company does not name a manager for the company; or

27 (3) other persons participating in the management or winding up of the
28 company.

29 Sec. 10.50.145. AUTHORIZATION OF COMPANY AFFAIRS. (a) Unless
30 otherwise provided in an operating agreement of the company or by this chapter, if an
31 operating agreement does not name a manager for the company, the consent of more

1 than one-half of all of the members of a limited liability company is required to decide
2 the affairs of the company.

3 (b) Unless otherwise provided in an operating agreement of the company or
4 by this chapter, if an operating agreement of the company names more than one
5 manager for the company, the consent of more than one-half of the number of
6 managers of a limited liability company is required to decide the affairs of the
7 company.

8 (c) Notwithstanding (a) and (b) of this section, and unless otherwise provided
9 in writing in an operating agreement of the company, the consent of all of the
10 members of a limited liability company is required to

11 (1) amend a written operating agreement of the company; or

12 (2) authorize a manager or member to perform an act on behalf of the
13 company that contravenes a written operating agreement of the company, including an
14 act that contravenes a provision of the written operating agreement that expressly limits
15 the purposes, affairs, or conduct of the affairs of the company.

16 **ARTICLE 6. ADMISSION AND WITHDRAWAL OF MEMBERS.**

17 **Sec. 10.50.155. ADMISSION OF MEMBERS.** A person may become a
18 member in a limited liability company if the person acquires a limited liability
19 company interest

20 (1) directly from the limited liability company

21 (A) in compliance with an operating agreement of the company;

22 or

23 (B) with the written consent of all of the members of the
24 company if an operating agreement of the company does not provide in writing
25 for acquiring an interest directly from the company; or

26 (2) by assignment of the interest by a company member in compliance
27 with AS 10.50.165.

28 **Sec. 10.50.160. EFFECTIVE DATE OF ADMISSION.** The effective date of
29 the admission of a member to a limited liability company is the later of the date

30 (1) when the company is organized;

31 (2) established in an operating agreement of the company; or

1 (3) when the person's admission is reflected in the records of the
2 company if an operating agreement of the company does not establish an effective
3 date.

4 Sec. 10.50.165. AUTHORIZATION FOR ASSIGNEE TO BECOME
5 MEMBER. (a) Unless otherwise provided in writing in an operating agreement of the
6 company, an assignee of a limited liability company interest may not become a
7 member unless all other members consent.

8 (b) An operating agreement of the company may specify the manner for
9 evidencing the consent required by (a) of this section. If an operating agreement does
10 not specify in writing the manner for evidencing the consent, the consent is evidenced
11 by a written instrument that is dated and signed by the members.

12 Sec. 10.50.170. RIGHTS, POWERS, AND LIABILITIES OF ASSIGNEE
13 WHO BECOMES A MEMBER. (a) An assignee who becomes a member has, to the
14 extent assigned, the rights and powers of a member under the articles of organization,
15 an operating agreement, and this chapter, and is subject to the restrictions and
16 liabilities of a member under the articles of organization, an operating agreement, and
17 this chapter.

18 (b) In addition to the liabilities imposed under (a) of this section, an assignee
19 of a limited liability company interest who becomes a member of the company is liable
20 for an obligation of the assignor to make a contribution under AS 10.50.280 that is not
21 imposed by the articles of organization, an operating agreement, or otherwise by this
22 chapter.

23 (c) Notwithstanding (a) and (b) of this section, an assignee who becomes a
24 member is not liable for liabilities that are unknown to the assignee when the assignee
25 becomes a member and that cannot be determined from the written records of the
26 company maintained under AS 10.50.870.

27 Sec. 10.50.180. RIGHTS OF ASSIGNOR WHEN ASSIGNEE BECOMES A
28 MEMBER. Unless otherwise provided in writing in an operating agreement of the
29 company, when an assignee of a member's limited liability company interest becomes
30 a member of the company with respect to the assignor's entire interest, the assignor
31 ceases to be a member or to have the power to exercise the rights of a member.

1 Sec. 10.50.185. VOLUNTARY TERMINATION OF MEMBERSHIP. (a) A
2 person's membership in a limited liability company terminates if the person withdraws
3 voluntarily from the company.

4 (b) Unless a written operating agreement of the company provides that a
5 member may not withdraw voluntarily from the company, a member of a limited
6 liability company may withdraw as a member voluntarily at any time by giving 30
7 days' written notice to the other members, or by giving other notice that is established
8 by an operating agreement of the company in writing.

9 Sec. 10.50.190. WITHDRAWAL BEFORE END OF TERM OR
10 UNDERTAKING. Unless otherwise provided in an operating agreement of the
11 company, if a limited liability company has a definite term or particular undertaking,
12 the withdrawal of a member of the company before the end of the term or the
13 accomplishment of the undertaking is a breach of the operating agreement.

14 Sec. 10.50.195. REMEDIES FOR WRONGFUL WITHDRAWAL. (a) If the
15 voluntary withdrawal of a member with the power to withdraw from the company
16 breaches an operating agreement of the company, or if the withdrawal occurs as a
17 result of otherwise wrongful conduct of the member, a limited liability company may
18 recover from the withdrawing member damages that are for the breach of the operating
19 agreement or that result from the wrongful conduct, including the reasonable costs of
20 obtaining replacement of any services the withdrawn member was obligated to
21 perform.

22 (b) A limited liability company may offset the damages authorized under (a)
23 of this section against the amount that is otherwise distributable to the withdrawing
24 member, and may pursue other remedies allowed in an operating agreement of the
25 company or otherwise available under applicable law.

26 Sec. 10.50.205. REMOVAL OF MEMBER. (a) Except as provided in (b)
27 of this section, a person's membership in a limited liability company terminates if the
28 person assigns all of the person's interest in the company and if a majority of the
29 members who have not assigned their interests in the company authorize the removal
30 of the person as a member.

31 (b) If an operating agreement of the company provides in writing for the

1 removal of a member, a person's membership in a limited liability company terminates
2 if the person is removed as a member in the manner and under the circumstances
3 provided in the agreement.

4 Sec. 10.50.210. EFFECT OF DEATH OR INCOMPETENCY ON
5 MEMBERSHIP. Unless otherwise provided in writing in an operating agreement or
6 by the written consent of all of the members at the time, the membership of a member
7 of a limited liability company who is an individual terminates if the member dies, or
8 if a court of competent jurisdiction enters an order adjudicating the member
9 incompetent to manage the member's person or property.

10 Sec. 10.50.215. TERMINATION OF TRUST OR DISTRIBUTION OF
11 INTEREST BY ESTATE MEMBERSHIP. (a) Unless otherwise provided in writing
12 in an operating agreement of the company or by the written consent of all of the
13 members of the company at the time, the limited liability company membership held
14 by a trust or trustee terminates when the trust terminates. In this subsection,
15 "terminates" does not include the substitution of a new trustee.

16 (b) Unless otherwise provided in writing in an operating agreement of the
17 company or by the written consent of all of the members of the company at the time,
18 the limited liability company membership held by an estate terminates when the
19 estate's entire limited liability company interest is distributed by the fiduciary of the
20 estate.

21 Sec. 10.50.220. TERMINATION ON DISSOLUTION OF MEMBER. (a)
22 Unless otherwise provided in writing in an operating agreement of the company or by
23 the written consent of all of the members of the company at the time, a limited
24 liability company membership of a member that is a separate limited liability company
25 terminates when the member dissolves and begins to wind up its affairs.

26 (b) Unless otherwise provided in writing in an operating agreement of the
27 company or by the written consent of all of the members of the company at the time,
28 a limited liability company membership of a member that is a corporation terminates
29 when the corporation is dissolved and 90 days lapse without reinstatement.

30 Sec. 10.50.225. OTHER EVENTS TERMINATING MEMBERSHIP. (a)
31 Unless otherwise provided in writing in an operating agreement of the company or

1 authorized by the written consent of all of the members of the company at the time,
2 a person's membership in a limited liability company terminates when the person

3 (1) makes an assignment for the benefit of creditors;

4 (2) files a voluntary petition in bankruptcy;

5 (3) is adjudicated a bankrupt or insolvent;

6 (4) files a petition or answer seeking for the person a reorganization,
7 arrangement, composition, readjustment, liquidation, dissolution, or similar relief under
8 law;

9 (5) files an answer or other pleading admitting or failing to contest the
10 material allegations of a petition filed against the member in a proceeding in the nature
11 of (1) - (4) of this subsection; or

12 (6) seeks, consents to, or acquiesces in the appointment of a trustee,
13 receiver, or liquidator of the person or of all or a substantial part of the person's
14 property.

15 (b) Unless otherwise provided in writing in an operating agreement of the
16 company or consented to in writing by all of the members of the company at the time,
17 a person's membership in a limited liability company terminates when

18 (1) a proceeding against the person seeking reorganization,
19 arrangement, composition, readjustment, liquidation, dissolution, or similar relief is not
20 dismissed within 120 days after the commencement of the proceeding; or

21 (2) an appointment, without the person's consent, of a trustee, receiver,
22 or liquidator of the person or of all or a substantial part of the person's property is not
23 vacated or stayed within 120 days after the appointment or after the expiration of the
24 stay.

25 (c) The members of a limited liability company may provide in writing in an
26 operating agreement that other events terminate a membership.

27 Sec. 10.50.240. EFFECT OF ELECTION. If an election to continue a limited
28 liability company until a certain date or event is made under AS 10.50.085(a),
29 10.50.185 - 10.50.225(a) and (b) do not apply to the termination of the membership
30 of a member unless the member is also a manager of the company.

31 ARTICLE 7. RELATIONSHIP TO THIRD PARTIES.

1 Sec. 10.50.250. AGENCY POWER OF MEMBERS AND MANAGERS. (a)
2 Except as provided in (b) and (c) of this section, a member of a limited liability
3 company is an agent of the company for the purpose of conducting the company's
4 affairs. A member's act, including the execution of an instrument in the name of the
5 company, that appears to be performed in the usual way of conducting the affairs of
6 the company, binds the company, unless the member does not in fact have the
7 authority to act for the company in the particular matter and the person with whom the
8 member is dealing knows that the member does not have the authority to act for the
9 company in the particular matter.

10 (b) If the articles of organization of a limited liability company name a
11 manager for the company, a member is not, solely by reason of being a member, an
12 agent of the company.

13 (c) If the articles of organization of the limited liability company name a
14 manager for the company, a manager is an agent of a limited liability company for the
15 purpose of conducting its affairs, and a manager's act, including the execution of an
16 instrument in the name of the company, that appears to be performed in the usual way
17 of conducting the affairs of the company binds the company, unless the manager does
18 not in fact have the authority to act for the company in the particular matter and the
19 person with whom the manager is dealing knows that the manager does not have the
20 authority to act for the company in the particular matter.

21 (d) A limited liability company manager's or member's act that does not
22 appear to be performed in the usual way of conducting the affairs of the company does
23 not bind the company, unless the act is authorized by an operating agreement of the
24 company when the act is performed or at another time.

25 (e) A limited liability company manager's or member's act that contravenes
26 a restriction on the manager's or member's authority does not bind the company with
27 regard to persons who know about the restriction.

28 Sec. 10.50.255. ADMISSIONS OF MEMBERS AND MANAGERS. (a)
29 Except as provided in (b) of this section, an admission or representation made by a
30 member of a limited liability company about the affairs of the company is evidence
31 against the company if the admission or representation is within the scope of the

1 member's authority under this chapter.

2 (b) If the articles of organization of a limited liability company name a
3 manager for the company, an admission or representation made by a
4 (1) manager about the affairs of the company is evidence against the
5 company if the admission or representation is within the scope of the manager's
6 authority under this chapter; and
7 (2) member, acting solely in the capacity of a member, is not evidence
8 against the company.

9 Sec. 10.50.260. LIMITED LIABILITY COMPANY CHARGED WITH
10 KNOWLEDGE OF OR NOTICE TO MEMBER OR MANAGER. (a) Except as
11 provided in (b) and (c) of this section, and except for a fraud on the company
12 committed by or with the consent of the member who has the knowledge or receives
13 the notice, the following operate as notice to or knowledge of a limited liability
14 company:
15 (1) notice given to a company member of a matter relating to the
16 affairs of the company;
17 (2) the knowledge of a company member acting in the particular matter,
18 whether acquired while a member or known at the time of becoming a member; and
19 (3) the knowledge of a company member who reasonably could and
20 should have communicated the knowledge to a member acting in the particular matter.

21 (b) If the articles of organization of the company name a manager for the
22 company, the following operate as notice to or knowledge of a limited liability
23 company, except for a fraud on the company committed by or with the consent of the
24 manager who has the knowledge or receives the notice:
25 (1) notice given to a manager of a matter relating to the business or
26 affairs of the limited liability company;
27 (2) the knowledge of the manager acting in the particular matter,
28 acquired while a manager or known at the time of becoming a manager; and
29 (3) the knowledge of a company manager who reasonably could and
30 should have communicated the knowledge to the manager acting in the particular
31 matter.

1 (c) If the articles of organization of the company name a manager for the
2 company, notice to, or the knowledge of, a member of a limited liability company
3 while the member is acting solely in the capacity of a member does not operate as
4 notice to or knowledge of the company.

5 Sec. 10.50.265. LIABILITY OF MEMBERS TO THIRD PARTIES. A person
6 who is a member of a limited liability company is not liable, solely by reason of being
7 a member, under a judgment, decree, or order of a court, or in another manner, for a
8 liability of the company, whether the liability arises in contract, tort, or another form,
9 or for the acts or omissions of another member, manager, agent, or employee of the
10 company.

11 ARTICLE 8. CONTRIBUTIONS.

12 Sec. 10.50.275. CONSIDERATION FOR COMPANY INTERESTS. An
13 interest in a limited liability company may be issued for property, services rendered,
14 or a promissory note or other obligation to contribute property or services.

15 Sec. 10.50.280. LIABILITY FOR CONTRIBUTIONS. (a) Notwithstanding
16 AS 09.25.010 - 09.25.020, a promise by a member of a limited liability company to
17 contribute property or services to the company is not enforceable unless the promise
18 is stated in a writing signed by the member.

19 (b) Unless otherwise provided in an operating agreement of the company, a
20 member of a limited liability company is liable for performing an enforceable promise
21 made to the company to contribute property or services, even if the member is unable
22 to perform because of death, disability, or another reason.

23 (c) If a member of a limited liability company does not make the member's
24 required contribution of property or services, the member shall, at the option of the
25 company, contribute cash equal to that portion of value of the required contribution
26 that has not been made.

27 (d) Unless otherwise provided in writing in an operating agreement of the
28 company, an assignor of a limited liability company interest is not released from the
29 assignor's liability to the company under this section, even if the assignee becomes a
30 member with respect to the assigned interest.

31 Sec. 10.50.285. COMPROMISE OF CONTRIBUTION. Unless otherwise

1 provided in an operating agreement of the company, the obligation of a member to
2 make a contribution to a limited liability company may not be compromised, unless
3 all of the other members consent to the compromise.

4 ARTICLE 9. DISTRIBUTIONS

5 Sec. 10.50.300. SHARING OF PROFITS. Unless otherwise provided in
6 writing in an operating agreement of the company, a member of a limited liability
7 company shall be repaid the member's contribution to capital and shares equally in the
8 profits and other assets of the company remaining after all liabilities, including
9 liabilities to members, are satisfied.

10 Sec. 10.50.305. INTERIM DISTRIBUTIONS UNDER OPERATING
11 AGREEMENT. If a limited liability company makes an interim distribution of its
12 assets to its members, the company shall make the distribution to the members in the
13 manner provided in writing in an operating agreement of the company. The operating
14 agreement of the company may authorize different interim distributions for different
15 classes of members.

16 Sec. 10.50.310. INTERIM DISTRIBUTIONS WITHOUT OPERATING
17 AGREEMENT. If a written operating agreement of the company does not provide for
18 the interim distribution of the assets of the company, when a limited liability company
19 makes an interim distribution of its assets, the interim distributions to each member of
20 the company shall be equal.

21 Sec. 10.50.315. TIME FOR INTERIM DISTRIBUTIONS. A member of a
22 limited liability company is entitled to receive interim distributions under AS 10.50.305
23 - 10.50.310 at the times or upon the happening of the events specified in an operating
24 agreement of the company, or at the times determined by the members or managers
25 under AS 10.50.145.

26 Sec. 10.50.320. DISTRIBUTIONS WHEN A PERSON CEASES TO BE A
27 MEMBER. (a) Except for termination under AS 10.50.205, when the limited liability
28 company membership of a person terminates and the termination does not cause
29 dissolution of the company, the company shall distribute to the person any distribution
30 that the person was entitled to receive before the person's membership terminated.

31 (b) In addition to a distribution made under (a) of this section, a limited

1 liability company shall distribute to a terminating member the amount of the member's
2 limited liability company interest. If an operating agreement of the company does not
3 provide the amount of the distribution or a method for determining the amount of the
4 distribution, the company shall make the distribution within a reasonable time after
5 termination and the amount of the distribution is the fair value of the member's limited
6 liability company interest as of the date of termination based on the member's right
7 to share in distributions from the company.

8 (c) If an election to continue a limited liability company until a certain date
9 or event is in effect under AS 10.50.085, then (a) and (b) of this section do not apply
10 to the termination of the membership of a member unless the member is also a
11 manager of the company.

12 Sec. 10.50.325. DISTRIBUTION IN KIND. (a) Unless otherwise provided
13 in an operating agreement of the company, a member, regardless of the nature of the
14 member's contribution, may not demand and receive a distribution from a limited
15 liability company in a form other than cash.

16 (b) Unless otherwise provided in an operating agreement of the company, a
17 limited liability company may not compel a member of the company to accept from
18 the company a distribution of a company asset in a form other than cash to the extent
19 that the percentage of the asset distributed to the member exceeds the percentage that
20 the member would have shared in a cash distribution equal to the value of the asset
21 at the time of distribution.

22 Sec. 10.50.330. RIGHT TO DISTRIBUTION. When a member of a limited
23 liability company is entitled to receive a distribution from the company, the member
24 is a creditor of the company with respect to the distribution, and is entitled to all
25 remedies available to a creditor of the company.

26 ARTICLE 10. OWNERSHIP AND TRANSFER OF PROPERTY.

27 Sec. 10.50.350. OWNERSHIP OF COMPANY PROPERTY. (a) Property
28 transferred to or otherwise acquired by a limited liability company is the property of
29 the company and is not the property of the members individually.

30 (b) A limited liability company may acquire, hold, and convey property,
31 including real property, in the name of the company. If a limited liability company

1 acquires an interest in real property, the company may acquire the interest in the name
2 of the company. If a limited liability company acquires an interest in real property in
3 the name of the company, the company holds the title to the interest and not the
4 members individually.

5 Sec. 10.50.355. TRANSFER OF PROPERTY. (a) Except as provided in (c)
6 of this section, a limited liability company may transfer the property of the company
7 that is held in its name if the company uses an instrument of transfer signed by a
8 member of the company in the name of the company.

9 (b) The property of a limited liability company that is held in the name of a
10 member or manager may be transferred by an instrument of transfer signed by the
11 member or manager in whose name the title is held, if the instrument transferring the
12 property to the member or manager indicates that the member or manager is a member
13 or manager of the company or that the company exists, if the name of the company
14 is not indicated on the instrument by which the member or manager holds title.

15 (c) If the articles of organization of the company name a manager for the
16 company,

17 (1) title to limited liability company property that is held in the name
18 of the company may be transferred by an instrument of transfer signed by a manager
19 of the company in the name of the company; and

20 (2) a member, solely by reason of being a member, does not have the
21 authority to transfer the property of a limited liability company.

22 Sec. 10.50.360. RECOVERY OF PROPERTY. A limited liability company
23 may recover property transferred under AS 10.50.355 if the company proves that the
24 execution of the instrument of transfer did not bind the company under AS 10.50.250,
25 unless the property has been transferred by the initial transferee, or by a person
26 claiming through the initial transferee, to a subsequent transferee who gives value
27 without having notice that the person who signed the instrument of initial transfer
28 lacked authority to bind the company.

29 Sec. 10.50.365. TRANSFER FREE OF COMPANY CLAIMS. The property
30 of a limited liability company held in the name of a person other than the company
31 may be transferred by the person free of the claims of the company or the company's

1 members if the transfer is made to a transferee who gives value without having notice
2 that the property is property of the company and the instrument that transfers title to
3 the property to the transferee does not indicate the transferor's capacity as a member
4 or manager of the company or the existence of the company.

5 Sec. 10.50.370. NATURE OF INTEREST IN COMPANY. A limited liability
6 company interest is personal property.

7 Sec. 10.50.375. ASSIGNMENT OF INTEREST IN COMPANY. (a) A
8 person may assign a limited liability company interest in whole or in part.

9 (b) The assignment of a limited liability company interest entitles the assignee
10 to receive, to the extent assigned, only the distributions to which the assignor is
11 entitled.

12 (c) The assignment of a limited liability company interest does not dissolve
13 the company or entitle the assignee to participate in the management and affairs of the
14 company, to become a member, or to exercise the rights of a member. Unless the
15 assignee of the interest becomes a member with respect to the interest, the assignor
16 continues to be a member and may exercise the rights of a member, subject to the
17 members' right to remove the assignor under AS 10.50.205.

18 (d) Unless the assignee becomes a member, an assignee of a limited liability
19 company interest is not liable as a member solely as a result of the assignment.

20 (e) The assignor of a limited liability company interest is not released, solely
21 as a result of the assignment, from the assignor's liability as a member.

22 (f) A written operating agreement may establish terms different from those in
23 (a) - (e) of this section.

24 (g) Unless otherwise provided in an operating agreement of the company, the
25 pledge of, or granting of a security interest, lien, or other encumbrance in or against,
26 a part or all of a member's limited liability company interest is not an assignment
27 under this section and does not terminate the membership or the rights and powers of
28 the member.

29 Sec. 10.50.380. RIGHTS OF JUDGMENT CREDITORS. (a) If a judgment
30 creditor of a limited liability company member applies to a court of competent
31 jurisdiction, the court may charge the member's limited liability company interest for

1 payment of the unsatisfied amount of the judgment.

2 (b) To the extent a limited liability company interest is charged under (a) of
3 this section, the judgment creditor has only the rights of an assignee of the member's
4 interest.

5 (c) This section is not intended to deprive a member of a limited liability
6 company of the benefit of an exemption available to the member under another
7 provision of law and applicable to the member's limited liability company interest.

8 Sec. 10.50.385. POWERS OF ESTATE OF A DECEASED OR
9 INCOMPETENT MEMBER. If a member who is an individual dies or if a court of
10 competent jurisdiction determines the member to be incompetent to manage the
11 member's person or property, the member's executor, administrator, guardian,
12 conservator, or other legal representative has the rights of an assignee of the member's
13 interest.

14 Sec. 10.50.390. POWERS OF DISSOLVED OR TERMINATED ENTITY.
15 If a member who is not an individual terminates or is dissolved, the member's legal
16 representative or successor has the rights of an assignee of the member's interest.

17 ARTICLE 11. DISSOLUTION.

18 Sec. 10.50.400. DISSOLUTION. A limited liability company is dissolved and
19 its affairs shall be wound up if

20 (1) an event occurs that is identified in writing in the articles of
21 organization or an operating agreement as causing dissolution; if an election under
22 AS 10.50.085(a) is in effect, the event does not cause dissolution unless the event is
23 identified in the articles or operating agreement before or at the same time the election
24 is stated in the articles;

25 (2) all of the members of the company consent in writing unless an
26 election under AS 10.50.085(a) is in effect;

27 (3) a person's membership in the company terminates, unless

28 (A) the business of the company is continued by the consent of
29 all of the remaining members on or before the 90th day following the
30 termination of the membership;

31 (B) a written operating agreement provides otherwise; or

- 1 (C) an election under AS 10.50.085(a) is in effect and
2 (i) the election provides that the termination does not
3 cause the company to dissolve; or
4 (ii) the person whose membership terminates is not a
5 manager of the company; or
6 (4) the superior court enters a decree for judicial dissolution of the
7 company under AS 10.50.405.

8 Sec. 10.50.405. DISSOLUTION BY COURT. On application by or for a
9 member of a limited liability company, the superior court may order the company
10 dissolved if the court determines that it is not reasonably practicable for the company
11 to conduct its affairs in conformity with an operating agreement of the company.

12 Sec. 10.50.410. AUTHORITY TO WIND UP. Unless otherwise provided in
13 writing in an operating agreement, the affairs of a limited liability company may be
14 wound up by the

15 (1) members or managers who have authority under AS 10.50.110 to
16 manage the company before dissolution; or

17 (2) superior court on the application of a member of the company or
18 the member's legal representative or assignee if

19 (A) a member or manager identified in (1) of this subsection
20 has engaged in wrongful conduct; or

21 (B) other cause is shown.

22 Sec. 10.50.415. ACTS OF WINDING UP. Unless otherwise provided in
23 writing in an operating agreement of the company, a person winding up the affairs of
24 a limited liability company may, in the name of, and for and on behalf of, the
25 company,

26 (1) prosecute and defend court actions;

27 (2) settle and close the affairs of the company;

28 (3) dispose of and transfer the property of the company;

29 (4) discharge the liabilities of the company; and

30 (5) distribute to the members the assets of the company.

31 Sec. 10.50.420. AGENCY POWER OF MANAGER OR MEMBER AFTER

1 DISSOLUTION. (a) Except as provided in (b) - (d) of this section, after dissolution
2 of a limited liability company, a member having authority to wind up the company's
3 affairs can bind the company by an act that

4 (1) is appropriate for winding up the company's affairs or completing
5 transactions unfinished at dissolution; or

6 (2) would have bound the company if the company had not been
7 dissolved, if the other party to the transaction does not have notice of the dissolution;
8 in this paragraph, filing the articles of dissolution is presumed to constitute notice of
9 the dissolution.

10 (b) A member's act that is not binding on the limited liability company under
11 (a) of this section binds the company if the act is otherwise authorized by the
12 company.

13 (c) A member's act that violates a restriction on the member's authority does
14 not bind the member's limited liability company with regard to a person who knows
15 about the restriction, even if the member's act would otherwise be binding under (a)
16 of this section or is otherwise authorized.

17 (d) If the articles of organization of a limited liability company name a
18 manager to manage the company, a member does not have the authority to bind the
19 company if the member is acting solely in the capacity of a member, and a manager
20 of the company can bind the company by an act that

21 (1) is appropriate for winding up the company's affairs or completing
22 transactions unfinished at dissolution; or

23 (2) would have bound the company if the company had not been
24 dissolved if the other party to the transaction does not have notice of the dissolution;
25 in this paragraph, filing the articles of dissolution is presumed to constitute notice of
26 the dissolution.

27 Sec. 10.50.425. DISTRIBUTION OF ASSETS. Upon the winding up of a
28 limited liability company, the assets of the company shall be distributed in the
29 following manner and order of priority:

30 (1) payment, or adequate provision for payment, to creditors, including,
31 to the extent permitted by law, members who are creditors and not covered by (2) of

1 this section, in satisfaction of the liabilities of the company;

2 (2) unless otherwise provided in writing in an operating agreement of

3 the company, payment to members or former members in satisfaction of the company's

4 liabilities for distributions under AS 10.50.305 - 10.50.320;

5 (3) unless otherwise provided in writing in an operating agreement of

6 the company, to members and former members in the following order of priority:

7 (A) for the return of their contributions; and

8 (B) in proportion to the members' respective rights to share in

9 distributions from the company before dissolution.

10 Sec. 10.50.430. ARTICLES OF DISSOLUTION. After the dissolution of a

11 limited liability company under AS 10.50.400, the limited liability company may file

12 articles of dissolution with the department. The articles must state

13 (1) the name of the company;

14 (2) the date of filing of the company's articles of organization and of

15 any amendments to the articles of organization;

16 (3) the reason for filing the articles of dissolution;

17 (4) the effective date, which must be a specific date, of the articles of

18 dissolution if the articles of dissolution are not to be effective when filed; and

19 (5) other information determined appropriate by the members or

20 managers filing the articles.

21 Sec. 10.50.435. KNOWN CLAIMS AGAINST DISSOLVED LIMITED

22 LIABILITY COMPANY. (a) Upon dissolution, a limited liability company may

23 dispose of the known claims against it by filing articles of dissolution under

24 AS 10.50.430 and following the procedures described in this section.

25 (b) A dissolved limited liability company shall notify its known claimants in

26 writing of the dissolution at any time after the effective date of dissolution. The written

27 notice must

28 (1) describe the information that must be included in the claim;

29 (2) provide a mailing address where the claim may be sent;

30 (3) state the deadline, which may not be fewer than 120 days after the

31 later of the date of the written notice or the filing of articles of dissolution under

1 AS 10.50.430, for the company to receive the claim; and
2 (4) state that the claim is barred if it is not received by the company
3 by the deadline.

4 (c) A claim against a limited liability company is barred if a claimant
5 (1) who was given written notice under (b) of this section does not
6 deliver the claim to the company by the deadline; or

7 (2) whose claim is rejected by the company does not begin a
8 proceeding to enforce the claim within 90 days after the date of the rejection notice.

9 (d) In this section, "claim" does not include a contingent liability or a claim
10 based on an event occurring after the effective date of dissolution.

11 Sec. 10.50.440. UNKNOWN CLAIMS AGAINST DISSOLVED LIMITED
12 LIABILITY COMPANY. (a) If a limited liability company publishes a newspaper
13 notice in accordance with (b) of this section and files articles of dissolution under
14 AS 10.50.430, the following claims are barred unless the claimant commences a
15 proceeding to enforce the claim against the company within three years after the later
16 of the publication date of the newspaper notice or the filing of the articles of
17 dissolution:

18 (1) a claim by a claimant who did not receive written notice under
19 AS 10.50.435;

20 (2) a claim sent within the time allowed if the company does not act
21 on the claim;

22 (3) a claim that is contingent or based on an event occurring after the
23 effective date of dissolution.

24 (b) The notice published under (a) of this section shall be published once in
25 a newspaper of general circulation in the judicial district where the company's
26 principal office, or its registered office if it does not have a principal office in this
27 state, is located in this state, and must

28 (1) describe the information that must be included in a claim;

29 (2) provide a mailing address where the claim may be sent;

30 (3) state that a claim against the company is barred unless a proceeding
31 to enforce the claim is begun within three years after the publication of the notice; and

1 (4) request that persons with claims against the company present them
2 in writing to the company as provided in the notice.

3 (c) A claim may be enforced under this section

4 (1) against the company to the extent of the company's undistributed
5 assets; or

6 (2) if the company's assets have been distributed in liquidation, against
7 a member of the company to the extent of the member's pro rata share of the claim
8 or of the assets of the company distributed to the member in liquidation, whichever is
9 less; a member's total liability for all claims under this section may not exceed the
10 total amount of assets of the company that are distributed to the member.

11 ARTICLE 12. MERGER AND CONSOLIDATION.

12 Sec. 10.50.500. AUTHORITY FOR MERGER OR CONSOLIDATION.
13 Unless otherwise provided in writing in an operating agreement of the company, and
14 subject to the law applicable to the other limited liability company, a limited liability
15 company may merge or consolidate with or into a limited liability company or a
16 foreign limited liability company.

17 Sec. 10.50.505. CONVERSION OF RIGHTS AND INTERESTS. The rights
18 of or interests in a limited liability company that is a party to a merger or
19 consolidation may be exchanged for or converted into cash, property, obligations,
20 rights or interests in the surviving or resulting limited liability company.

21 Sec. 10.50.510. APPROVAL OF MERGER OR CONSOLIDATION. (a)
22 Unless otherwise provided in writing in an operating agreement of the company, a
23 limited liability company may not approve a proposed merger or consolidation unless
24 the merger or consolidation is approved by all of the members of the company.

25 (b) A foreign limited liability company that is a party to a proposed merger
26 or consolidation may not approve the merger or consolidation unless the merger or
27 consolidation is approved in the manner and by the vote required by the law applicable
28 to the foreign limited liability company.

29 (c) A party to a merger or consolidation under this chapter may abandon the
30 merger or consolidation as provided in the merger or consolidation agreement.

31 Sec. 10.50.515. DELIVERY OF ARTICLES OF MERGER OR

1 CONSOLIDATION. The limited liability company that survives or results from a
2 merger or consolidation under this chapter shall file with the department articles of
3 merger or consolidation signed by each limited liability company that is a party to the
4 merger or consolidation.

5 Sec. 10.50.520. CONTENTS OF ARTICLES OF MERGER OR
6 CONSOLIDATION. The articles of merger or consolidation required by AS 10.50.515
7 must state

8 (1) the name of each limited liability company that is a party to the
9 merger or consolidation;

10 (2) the jurisdiction where each limited liability company that is a party
11 to the merger or consolidation was organized;

12 (3) that an agreement of merger or consolidation has been approved and
13 signed by each limited liability company that is a party to the merger or consolidation;

14 (4) the name of the surviving or resulting limited liability company;

15 (5) the future effective date, which must be a specific date, of the
16 merger or consolidation if the merger or consolidation is not effective when the articles
17 are filed;

18 (6) that the agreement of merger or consolidation is on file at a place
19 of business of the surviving or resulting limited liability company and the address of
20 its place of business;

21 (7) that a copy of the agreement of merger or consolidation will be
22 furnished by the surviving or resulting limited liability company on request and
23 without cost to a person holding an interest in a limited liability company that is a
24 party to the merger or consolidation;

25 (8) if the surviving or resulting limited liability company is not
26 organized under the laws of this state, a statement that the surviving or resulting
27 limited liability company

28 (A) agrees that it may be served with process in this state in a
29 proceeding to enforce an obligation of a company that is a party to the merger
30 or consolidation and that was organized under the laws of this state, and to
31 enforce an obligation of the surviving or resulting company;

1 (B) appoints the department as its agent for service of process
2 in an enforcement proceeding under (A) of this paragraph; and

3 (C) the address to which a copy of the process may be mailed
4 to the surviving or resulting company by the department.

5 Sec. 10.50.525. EXECUTION OF ARTICLES OF MERGER OR
6 CONSOLIDATION. Articles of merger or consolidation shall be signed by a limited
7 liability company that is a party to the merger or consolidation.

8 Sec. 10.50.530. EQUIVALENT TO ARTICLES OF DISSOLUTION. Articles
9 of merger or consolidation constitute articles of dissolution for a limited liability
10 company that is not the surviving or resulting limited liability company in the merger
11 or consolidation.

12 Sec. 10.50.535. EFFECTIVE DATE OF MERGER OR CONSOLIDATION.
13 A merger or consolidation under AS 10.50.500 - 10.50.565 takes effect upon the later
14 of the effective date of the filing of the articles of merger or consolidation or an
15 effective date stated in the articles of merger or consolidation.

16 Sec. 10.50.540. USE OF MERGER OR CONSOLIDATION AGREEMENT
17 TO AMEND OR ADOPT OPERATING AGREEMENT. (a) An agreement of merger
18 or consolidation approved under AS 10.50.510 may amend an operating agreement of
19 a limited liability company or adopt a new operating agreement for the company if the
20 company is the surviving or resulting limited liability company in the merger or
21 consolidation.

22 (b) An approved agreement of merger or consolidation may provide that the
23 operating agreement of a limited liability company that is a party to the merger or
24 consolidation, including a limited liability company organized for the purpose of
25 consummating a merger or consolidation, is the operating agreement of a limited
26 liability company that is the surviving or resulting limited liability company.

27 (c) An amendment to an operating agreement or the adoption of a new
28 operating agreement under this section is effective when the merger or consolidation
29 is effective.

30 (d) This subsection is not intended to limit the accomplishment of a merger
31 or of a matter referred to in this section by other means provided for in an operating

1 agreement or in another agreement or as otherwise permitted by law.

2 Sec. 10.50.545. GENERAL EFFECTS OF MERGER OR CONSOLIDATION.

3 (a) When a merger or consolidation becomes effective, the limited liability companies
4 that are parties to a merger or consolidation agreement become a single limited
5 liability company that, in the case of a merger, is the limited liability company named
6 in the plan of merger as the surviving limited liability company, and, in the case of a
7 consolidation, is the limited liability company named in the plan of consolidation as
8 the resulting limited liability company.

9 (b) When a merger or consolidation becomes effective, a limited liability
10 company that is a party to the merger or consolidation agreement and that is not the
11 surviving or resulting limited liability company ceases to exist.

12 (c) The surviving limited liability company of a merger or the limited liability
13 company resulting from a consolidation possesses all the rights, privileges, immunities,
14 and powers of each limited liability company that is a party to the merger or
15 consolidation agreement and is subject to all the restrictions, disabilities, and duties of
16 each limited liability company that is a party to the merger or consolidation to the
17 extent the rights, privileges, immunities, powers, franchises, restrictions, disabilities,
18 and duties apply to the type of limited liability company that is the surviving limited
19 liability company or the resulting limited liability company.

20 Sec. 10.50.550. EFFECT OF MERGER OR CONSOLIDATION ON
21 PROPERTY OF COMPANIES. (a) The real and personal property, the debts due,

22 including promises to make capital contributions and subscriptions for shares, other
23 choses in action, and the other interests of the limited liability companies that are
24 parties to a merger or consolidation belong to the surviving or resulting limited
25 liability company without further action by the companies.

26 (b) The title to real property, including interests in real property, that belongs
27 to a limited liability company that is a party to a merger or consolidation does not
28 revert and is not in any way impaired because of the merger or consolidation.

29 Sec. 10.50.555. EFFECT OF MERGER OR CONSOLIDATION ON
30 LIABILITIES. (a) The surviving or resulting limited liability company in a merger

31 or consolidation is liable for the liabilities of the limited liability companies that are

1 parties to the merger or consolidation.

2 (b) A claim, action, or other proceeding that exists at the time of the merger
3 or consolidation and that is pending by or against a limited liability company that is
4 a party to a merger or consolidation may be pursued as if the merger or consolidation
5 had not taken place, or the surviving or resulting limited liability company may be
6 substituted in the claim, action, or other proceeding.

7 Sec. 10.50.560. RIGHTS OF CREDITORS. The rights of creditors and liens
8 on the property of a limited liability company that is a party to a merger or
9 consolidation are not impaired by the merger or consolidation.

10 Sec. 10.50.565. CONVERSION AT MERGER OR CONSOLIDATION. (a)
11 Upon a merger or consolidation, the limited liability company interests that are to be
12 converted or exchanged into interests, cash, obligations, or other property under the
13 terms of a merger or consolidation agreement are converted as provided by the merger
14 or consolidation agreement.

15 (b) Upon a merger or consolidation, the former holders of interests converted
16 under (a) of this section have the rights provided in the merger or consolidation
17 agreement or otherwise provided by law.

18 Sec. 10.50.590. DEFINITION. In AS 10.50.500 - 10.50.590, "limited liability
19 company" means a limited liability company organized under this chapter or a foreign
20 limited liability company.

21 ARTICLE 13. FOREIGN LIMITED LIABILITY COMPANIES.

22 Sec. 10.50.600. GOVERNING LAW. (a) Subject to the constitution of this
23 state, the law of the state or other jurisdiction under which a foreign limited liability
24 company is organized governs the organization and internal affairs of the company and
25 the liability and authority of its managers and members.

26 (b) The department may not deny registration to a foreign limited liability
27 company because of differences between the law of this state and the law of the state
28 or other jurisdiction under which the foreign limited liability company is organized.

29 Sec. 10.50.605. REGISTRATION REQUIRED. Before conducting affairs in
30 this state, a foreign limited liability company shall register with the department. To
31 register, the company shall deliver to the department an application for registration as

1 a foreign limited liability company.

2 Sec. 10.50.610. EXECUTION OF REGISTRATION APPLICATION. An
3 application for registration filed by a foreign limited liability company under
4 AS 10.50.605 shall be signed by a person who is authorized by the law of the state or
5 other jurisdiction where the company was organized to sign the application.

6 Sec. 10.50.615. CONTENTS OF REGISTRATION APPLICATION. An
7 application for the registration of a foreign limited liability company must state

8 (1) the name of the foreign limited liability company and, if different,
9 the name the company proposes to use in this state;

10 (2) the state or other jurisdiction where the company was organized,
11 and date of its organization;

12 (3) the name and address of the company's registered agent;

13 (4) that the department is appointed the agent of the company for
14 service of process if the foreign limited liability company fails to appoint or maintain
15 a registered agent under AS 10.50.635;

16 (5) the address of the office required by the state or other jurisdiction
17 of the company's organization to be maintained in that state or other jurisdiction, or,
18 if the state or other jurisdiction does not require an office to be maintained in that state
19 or other jurisdiction, the principal office of the company; and

20 (6) that the company is a foreign limited liability company.

21 Sec. 10.50.620. NAME. The department may not file the application for
22 registration of a foreign limited liability company unless the name of the company
23 satisfies the requirements of AS 10.50.020 - 10.50.025. If the name under which a
24 foreign limited liability is organized in the state or other jurisdiction of its organization
25 does not satisfy the requirements of AS 10.50.020 - 10.50.025, the company may
26 register under AS 10.50.605 if the company uses a designated name that is available
27 to the company under this chapter and that satisfies the requirements of AS 10.50.020 -
28 10.50.025.

29 Sec. 10.50.625. AMENDMENT OF REGISTRATION. A foreign limited
30 liability company may amend its registration by filing articles of amendment with the
31 department that are signed by a person who has the authority to sign them under the

1 law of the state or other jurisdiction of the company's organization.

2 Sec. 10.50.630. CONTENTS OF ARTICLES OF AMENDMENT. (a) The
3 articles of amendment filed by a foreign limited liability company must state the

- 4 (1) name of the company;
5 (2) date the original application for registration was filed; and
6 (3) amendment.

7 (b) The application for registration may be amended in any way if the
8 application for registration as amended contains only provisions that this chapter allows
9 to be contained in an application for registration at the time of amendment.

10 Sec. 10.50.635. REGISTERED AGENT. A foreign limited liability company
11 shall continuously maintain in this state an agent for the service of process on the
12 company. The agent must be an individual resident of this state, a corporation
13 organized under the laws of this state, or a foreign corporation authorized to transact
14 business in this state.

15 Sec. 10.50.640. CHANGE OF REGISTERED AGENT OR AGENT
16 ADDRESS. (a) A foreign limited liability company may change its registered agent
17 or the agent's address by delivering to the department a document stating the

- 18 (1) name of the company;
19 (2) name and address of the company's current registered agent; and
20 (3) name and address of the company's successor registered agent or
21 the registered agent's new address if the registered agent or the registered agent's
22 address is to be changed.

23 (b) The registered agent of a foreign limited liability company may change its
24 address by delivering a statement to the department as required by (a) of this section,
25 except that only the registered agent's signature is required. The statement must state
26 that a copy of the statement has been mailed to the foreign limited liability company.

27 Sec. 10.50.645. EFFECTIVE DATE OF CHANGE. Except as provided in
28 AS 10.50.650 and 10.50.680, a change of the registered agent or the address of the
29 registered agent of a foreign limited liability company is effective when the statement
30 required under AS 10.50.640 is filed with the department.

31 Sec. 10.50.650. RESIGNATION OF REGISTERED AGENT. The registered

1 agent of a foreign limited liability company may resign as the registered agent by
2 delivering a written notice of the resignation to the department. The department shall
3 mail a copy of the notice to the company at its registered office. The appointment of
4 the registered agent terminates 30 days after the registered agent receives the notice
5 of resignation or the company changes its registered agent under AS 10.50.640,
6 whichever event is earlier.

7 Sec. 10.50.655. AUTHORITY TO CANCEL REGISTRATION. A foreign
8 limited liability company registered in this state may cancel its registration by filing
9 an application for cancellation with the department.

10 Sec. 10.50.660. CONTENTS OF APPLICATION FOR CANCELLATION.
11 An application for cancellation filed by a foreign limited liability company must state

12 (1) the name of the company and the state or other jurisdiction where
13 the company was organized;

14 (2) that the company is not conducting affairs in this state;

15 (3) that the company cancels its registration in this state;

16 (4) that the company revokes the authority of its registered agent for
17 service of process in this state and consents that service of process may subsequently
18 be made on the company by service on the commissioner for a cause of action arising
19 in this state during the time the company was registered in this state; and

20 (5) an address for mailing a copy of a process to the company.

21 Sec. 10.50.665. FORM, MANNER, AND EXECUTION OF APPLICATION
22 FOR CANCELLATION. The application for cancellation must be in the form and
23 manner designated by the department and shall be signed on behalf of the foreign
24 limited liability company by

25 (1) a person with authority to sign the application under the law of the
26 state or other jurisdiction of its organization; or

27 (2) if the company is controlled by a receiver, trustee, or other
28 court-appointed fiduciary, by the receiver, trustee, or other fiduciary.

29 Sec. 10.50.670. EFFECT OF CANCELLATION OF REGISTRATION. The
30 cancellation of a registration under this chapter does not terminate the authority of the
31 commissioner to accept service of process on the foreign limited liability company

1 with respect to causes of action arising out of the company's conduct of affairs in this
2 state.

3 Sec. 10.50.675. CONDUCTING AFFAIRS WITHOUT REGISTRATION. (a)
4 A foreign limited liability company conducting affairs in this state may not maintain
5 an action or other proceeding in a court of this state until it has registered in this state.

6 (b) The failure of a foreign limited liability company to register in this state
7 does not

8 (1) impair the validity of a contract or act of the company;

9 (2) affect the right of another party to a contract of the company to
10 maintain an action or proceeding on the contract; or

11 (3) prevent the company from defending an action or other proceeding
12 in a court of this state.

13 Sec. 10.50.680. APPOINTMENT OF COMMISSIONER FOR SERVICE OF
14 PROCESS. A foreign limited liability company that conducts affairs in this state
15 without registration appoints the commissioner as its agent for service of process with
16 respect to a cause of action arising out of conducting affairs in this state.

17 Sec. 10.50.685. SERVICE ON COMMISSIONER. (a) A person may serve
18 the commissioner under AS 10.50.660(4) or 10.50.680 in the manner provided under
19 AS 10.50.065(b).

20 (b) The commissioner shall keep a record of processes, notices, and demands
21 served upon the commissioner under this section.

22 (c) This section does not affect the right to serve process, notice, or demand
23 required or permitted by law to be served upon a limited liability company in another
24 manner permitted by law.

25 Sec. 10.50.690. LIABILITY FOR FEES AND PENALTIES. A foreign limited
26 liability company that conducts affairs in this state without registration is liable to the
27 department for the following fees and penalties for the full or partial years when it
28 conducts affairs in this state without registration:

29 (1) the fees that would have been imposed by this chapter on the
30 company if the company had been registered under this chapter; or

31 (2) the penalties imposed by this chapter.

1 Sec. 10.50.700. CIVIL PENALTY. (a) A foreign limited liability company
2 that conducts affairs in this state without registration is subject to a civil penalty
3 payable to the state not to exceed \$10,000 for each calendar year, including a partial
4 year, the company conducts affairs in this state without being registered under this
5 chapter.

6 (b) The civil penalty imposed in (a) of this section may be recovered in an
7 action brought in the superior court by the attorney general.

8 Sec. 10.50.710. INJUNCTIVE RELIEF. (a) Upon application to the court,
9 if a court finds that a foreign limited liability company has conducted affairs in this
10 state in violation of this chapter, the court may issue, in addition to imposing a civil
11 penalty, an injunction restraining the company from conducting further affairs in this
12 state and from further exercising the company's rights and privileges in this state.

13 (b) An injunction issued under (a) of this section may continue until the civil
14 penalties, interest, and court costs assessed by the court have been paid and until the
15 foreign limited liability company otherwise complies with this chapter.

16 Sec. 10.50.715. NONLIABILITY OF MEMBER OR MANAGER. A member
17 or manager of a foreign limited liability company is not liable for the debts and
18 obligations of the company solely because the company conducts affairs in this state
19 without registration.

20 Sec. 10.50.720. TRANSACTIONS NOT CONSTITUTING CONDUCTING
21 AFFAIRS. The activities of a foreign limited liability company that are not considered
22 to be conducting affairs in this state for the purposes of AS 10.50.600 - 10.50.720
23 include

24 (1) maintaining, defending, or settling a court action or other
25 proceeding or a claim;

26 (2) holding meetings of the members or managers of the company;

27 (3) maintaining bank accounts;

28 (4) selling through independent contractors;

29 (5) soliciting or obtaining orders, whether by mail or through
30 employees, agents, or other methods, if the orders require acceptance outside this state
31 before the orders become contracts;

- 1 (6) creating as borrower or lender, or acquiring, indebtedness or
2 mortgages or other security interests in real or personal property;
3 (7) securing or collecting debts, or enforcing rights in property securing
4 debts;
5 (8) conducting an isolated transaction that is completed within 30 days
6 and that is not part of a course of repeated transactions of a similar nature; or
7 (9) conducting affairs in interstate commerce.

8 ARTICLE 14. SUITS BY AND AGAINST LIMITED
9 LIABILITY COMPANIES.

10 Sec. 10.50.730. ACTIONS AGAINST COMPANIES. A court action may be
11 brought by or against a limited liability company. The court action may be brought
12 in the name of the company.

13 Sec. 10.50.735. AUTHORITY TO SUE ON BEHALF OF COMPANY. (a)
14 Unless otherwise provided in an operating agreement of the company, a person may
15 not bring a court action on behalf of a limited liability company in the name of the
16 company unless the person is authorized under (b) or (c) or this section to bring the
17 action.

18 (b) Whether or not an operating agreement names a manager for the company,
19 a member of a limited liability company may bring a court action on behalf of the
20 company in the name of the company if the member is authorized to bring the action
21 by more than one-half of all of the members of the company who are eligible to
22 consent to the authorization, unless all of the members are required under
23 AS 10.50.145(c) for the authorization. When determining whether all members
24 consent under AS 10.50.145, the total number of all members does not include a
25 member who has an interest in the outcome of the action that is adverse to the interest
26 of the company and the member with the adverse interest is excluded from determining
27 the authorization.

28 (c) A manager of a limited liability company may bring a court action on
29 behalf of the company in the name of the company if the manager is authorized to
30 bring the action by the consent required under AS 10.50.145 of the members eligible
31 to consent to the authorization. When determining the number of managers required

1 to consent under AS 10.50.145, the number does not include a manager who has an
2 interest in the outcome of the action that is adverse to the interest of the company and
3 the manager with the adverse interest is excluded from determining the authorization.

4 Sec. 10.50.740. EFFECT OF LACK OF AUTHORITY TO SUE. The lack of
5 authority of a member or manager of a limited liability company to bring a court
6 action on behalf of a limited liability company may not be asserted by the company
7 as a defense to the action or basis for bringing a subsequent action on the same cause
8 of action.

9 ARTICLE 15. MISCELLANEOUS PROVISIONS.

10 Sec. 10.50.800. LIABILITY OF MANAGERS AND MEMBERS. (a) Unless
11 otherwise provided in an operating agreement of the company, a member or manager
12 of a limited liability company is not liable to the company or to the members of the
13 company for damages or other relief for an act or a failure to act on behalf of the
14 company unless the act or failure to act amounts to gross negligence or wilful
15 misconduct.

16 (b) An operating agreement of a limited liability company may limit or
17 eliminate the personal liability of a manager or member of the company for a breach
18 of a duty of the manager or member under AS 10.50.130 - 10.50.140 or (a) of this
19 section.

20 Sec. 10.50.805. INDEMNIFICATION OF MEMBERS AND MANAGERS.
21 An operating agreement of a limited liability company may authorize the company to
22 indemnify a person who is a member or manager of the company for judgments,
23 settlements, penalties, fines, or expenses incurred by the person in a proceeding if the
24 person is made a party to the proceeding because of the person's status as a member
25 or manager of the company.

26 Sec. 10.50.810. MEMBERS AS PARTIES TO ACTIONS. A member of a
27 limited liability company is not a proper party to a proceeding by or against the
28 company solely because the member is a member of the company, unless otherwise
29 provided in an operating agreement of the company or unless the object of the
30 proceeding is to enforce the member's right against or liability to the company.

31 Sec. 10.50.820. COMPANY CERTIFICATES. An operating agreement of a

1 limited liability company may authorize the company to issue a certificate as evidence
2 of a limited liability company interest. An operating agreement may also authorize
3 and provide for the assignment or transfer of the interest represented by the certificate.

4 Sec. 10.50.830. SUBMISSION OF DOCUMENTS TO DEPARTMENT.
5 When a document is required or allowed to be delivered to or filed with the
6 department under this chapter, the person delivering the document shall deliver to the
7 department the required fee, the original signed document, and an exact copy of the
8 document.

9 Sec. 10.50.840. FILING OF DOCUMENTS BY DEPARTMENT. (a) If the
10 department determines that a document filed under this chapter conforms to the filing
11 requirements of this chapter, the department shall

12 (1) mark on the original signed document and on the exact copy the
13 word "filed" and the date and time of the document's acceptance for filing;

14 (2) retain the original signed document in the department's files; and

15 (3) return the exact copy to the person who filed the document or to
16 the person's representative.

17 (b) Except as otherwise provided in this chapter, if the department is unable
18 to determine that a document conforms to the filing requirements of this chapter when
19 the document is delivered to the department for filing, the department shall file the
20 document and the document is considered to have been filed at the time of delivery
21 if the department subsequently determines that the document

22 (1) as delivered conforms to the filing requirements of this chapter; or

23 (2) has been brought into conformity with the filing requirements of
24 this chapter within 30 days after the department notifies the person who filed the
25 document, or the person's representative.

26 (c) The department may not file a document if the requirements of this section
27 are not met.

28 Sec. 10.50.850. EXECUTION OF DOCUMENTS. (a) Unless otherwise
29 provided in this chapter, a document required by this chapter to be filed with the
30 department by or for a limited liability company shall be signed by

31 (1) a manager of the company if an operating agreement of the

1 company names a manager for the company;
2 (2) a member of the company if an operating agreement does not name
3 a manager for the company;
4 (3) a person organizing the company if the company is not organized;
5 (4) the fiduciary if the company is controlled by a receiver, trustee, or
6 other court-appointed fiduciary.
7 (b) A person signing a document filed with the department under this chapter
8 shall state beneath or opposite the signature the person's name and the capacity in
9 which the person signs.
10 (c) A person signing a document filed with the department under this chapter
11 may sign as an attorney-in-fact, but is not required to provide or file with the
12 department a document authorizing the person to act as attorney-in-fact for the signing
13 of a document.
14 Sec. 10.50.855. EXECUTION BY JUDICIAL ACT. A person who is
15 adversely affected by the failure or refusal of a person to sign articles or other
16 documents to be filed under this chapter, to file with the department articles or other
17 documents to be filed with the department under this chapter, or to file articles or other
18 documents may petition the superior court in the judicial district where the registered
19 office of the limited liability company or foreign limited liability company is located
20 to direct the signing or filing of the articles or other documents. If the court finds that
21 it is proper for the articles or other documents to be signed or filed and that there has
22 been failure or refusal to sign or file the documents, the court shall order the
23 department to file the appropriate articles or other documents.
24 Sec. 10.50.860. FILING AND OTHER FEES. The department shall charge
25 fees established by the department by regulation adopted under AS 44.62
26 (Administrative Procedure Act) for
27 (1) filing the original articles of organization;
28 (2) filing articles of amendment;
29 (3) filing articles of merger or consolidation;
30 (4) filing articles of dissolution;
31 (5) issuing a document not otherwise covered by this section;

- 1 (6) furnishing a copy of a document;
2 (7) accepting an application for reservation of a name, or filing a notice
3 of the transfer or cancellation of a name reservation;
4 (8) filing a statement of change of address for a registered office or
5 registered agent;
6 (9) accepting service of a notice, demand, or process upon the
7 department;
8 (10) filing the application for registration of a foreign limited liability
9 company; or
10 (11) filing another document allowed or required under this chapter.

11 Sec. 10.50.870. MAINTENANCE OF RECORDS. Unless otherwise provided
12 in writing in an operating agreement, a limited liability company shall keep at its
13 principal place of business

14 (1) current and past lists that state in alphabetical order the full name
15 and last known mailing address of every member and manager of the company;

16 (2) a copy of the company's articles of organization and amendments
17 to the articles, including a signed copy of a power of attorney used by a person who
18 signed articles of amendment for the company;

19 (3) a copy of the company's federal, state, and local income tax returns
20 and financial statements, if any, for the three most recent years or, if the returns and
21 statements are not prepared, a copy of the information and statements provided to, or
22 that should have been provided to, the members to enable the members to prepare their
23 federal, state, and local tax returns for the three-year period;

24 (4) a copy of any effective written operating agreement of the company,
25 amendments to the agreement, and former written operating agreements;

26 (5) unless contained in writing in an operating agreement,

27 (A) a document stating the amount of cash contributed by a
28 member of the company, the agreed value of other property or services
29 contributed by a member, and when a member is to make additional
30 contributions;

31 (B) a document stating the events, if any, that cause the

1 company to be dissolved and its affairs wound up; and
2 (C) other documents that an operating agreement requires the
3 company to prepare.

4 Sec. 10.50.875. INSPECTION OF RECORDS. If a member of a limited
5 liability company makes a reasonable request to inspect or copy the records of the
6 company, the member may, at the member's own expense, inspect and copy the
7 records during ordinary business hours.

8 Sec. 10.50.880. DISCLOSURE OF INFORMATION. The members of a
9 limited liability company, if an operating agreement of the company does not name a
10 manager for the company, or the manager of the company, if an operating agreement
11 names a manager for the company, shall provide, to the extent just and reasonable
12 under the circumstances, true and full information of all matters that affect the
13 members of a company to a member or to the legal representative of a deceased
14 member or a member under a legal disability.

15 Sec. 10.50.890. FAILURE TO MAINTAIN RECORDS OR INFORMATION.
16 The failure of a limited liability company to maintain a record or information required
17 to be maintained under this chapter does not make a member or manager liable for the
18 debts or other obligations of the company.

19 ARTICLE 16. GENERAL PROVISIONS.

20 Sec. 10.50.900. REGULATIONS. In addition to the regulations the
21 department is required to adopt under this chapter, the department may adopt other
22 regulations under AS 44.62 (Administrative Procedure Act) to implement this chapter.

23 Sec. 10.50.910. INTERSTATE APPLICATION. A limited liability company
24 that is organized and existing under this chapter may conduct its affairs and exercise
25 the powers granted by this chapter in another jurisdiction, subject to the laws of that
26 jurisdiction.

27 Sec. 10.50.920. RULES OF CONSTRUCTION. (a) It is the policy of this
28 chapter to give maximum effect to the principle of freedom of contract and to the
29 enforceability of operating agreements.

30 (b) The rule that statutes in derogation of the common law are to be strictly
31 construed does not apply to this chapter.

1 Sec. 10.50.990. DEFINITIONS. In this chapter, unless the context indicates
2 otherwise,

3 (1) "articles of organization" means the articles of organization filed
4 under AS 10.50.070 and the articles as amended or restated;

5 (2) "commissioner" means the commissioner of commerce and
6 economic development;

7 (3) "corporation" means a corporation organized under the laws of this
8 or another state, or of this or another country;

9 (4) "department" means the Department of Commerce and Economic
10 Development;

11 (5) "filed," unless expressly provided otherwise, means filed with the
12 department;

13 (6) "foreign limited liability company" means an organization that is

14 (A) not incorporated;

15 (B) organized under the law of a state other than this state, or
16 under the law of a foreign country;

17 (C) organized under a statute that affords to each of its
18 members limited liability regarding the liabilities of the organization; and

19 (D) not required to be registered under a statute of this state
20 other than this chapter;

21 (7) "interim distribution" means a distribution of the assets of a limited
22 liability company to the company's members, except as provided under AS 10.50.320
23 and 10.50.425;

24 (8) "know" means to have actual knowledge or to know other facts that
25 demonstrate bad faith in the circumstances; this definition applies also to the
26 derivatives of "know," including "known," "unknown," and "knowledge";

27 (9) "limited liability company" or "domestic limited liability company"
28 means an organization organized under this chapter;

29 (10) "limited liability company interest" means an interest in a limited
30 liability company issued under AS 10.50.275;

31 (11) "limited partnership" means a limited partnership organized under

1 AS 32.11 or under the law of another state or a foreign country;

2 (12) "manager" means a person named in an operating agreement of
3 a limited liability company to manage the company;

4 (13) "member" means a person who has been admitted to membership
5 in a limited liability company under AS 10.50.155 - 10.50.160 and whose membership
6 has not terminated under AS 10.50.180 - 10.50.185 or 10.50.205 - 10.50.225;

7 (14) "operating agreement" means a written or oral agreement among
8 all of the members of a limited liability company about conducting the affairs of the
9 company;

10 (15) "property" includes cash;

11 (16) "state" means a state, territory, or possession of the United States,
12 and includes the District of Columbia, the Commonwealth of Puerto Rico, the Northern
13 Mariana Islands, Guam, the Virgin Islands, American Samoa, and the Trust Territory
14 of the Pacific Islands.

15 Sec. 10.50.995. SHORT TITLE. This chapter may be cited as the Alaska
16 Limited Liability Act.

17 * Sec. 2. AS 10.06.105(c) is amended to read:

18 (c) A person may not adopt a name that contains the word "corporation",
19 "incorporated", or "limited", or an abbreviation of one of these words, unless the
20 person has been issued a certificate of incorporation, or, in the case of a foreign
21 corporation, a certificate of authority, by the commissioner. This subsection does not
22 prohibit a limited liability company or a limited partnership from using the word
23 "limited" or an abbreviation of "limited" in its name.

24 * Sec. 3. AMENDMENT OF COURT RULES. AS 10.50.810, enacted by sec. 1 of this
25 Act, amends

26 (1) Alaska Rule of Civil Procedure 20 because it effectively prohibits the
27 joinder of limited liability company members as parties in certain civil actions; and

28 (2) Alaska Rule of Civil Procedure 24 because it effectively prohibits the
29 intervention of limited liability company members as parties in certain civil actions.

30 * Sec. 4. This Act takes effect January 1, 1995.