

# Contents

## PART I ORGANIZATION

<b>CHAPTER 1: INTRODUCTION</b> . . . . .	<b>1-1</b>
1.1. Nature and Use of This Practice Manual . . . . .	1-3
1.2. Comparison of the LLC with Other Entities . . . . .	1-3
1.3. History of the LLC . . . . .	1-8.1
1.4. Classification of the LLC as a Partnership for Income Tax Purposes and Miscellaneous Tax Issues. . . . .	1-8.1
1.4.1. Introduction. . . . .	1-8.1
1.4.2. Consequences of Failing to Obtain Partnership Classification . . . . .	1-10
1.4.3. Tax History of the LLC. . . . .	1-10
1.4.4. The Pre-1997 Categorization Rules. . . . .	1-12
1.4.4.1. Limited Liability . . . . .	1-12
1.4.4.2. Centralized Management . . . . .	1-12
1.4.4.3. Continuity of Life . . . . .	1-15
1.4.4.4. Free Transferability of Interests . . . . .	1-18
1.4.4.5. IRS Issues LLC Classification Revenue Procedure . . . . .	1-20
1.4.5. The Check the Box Regulations . . . . .	1-23
1.4.5.1. Publicly Traded Partnership Rules . . . . .	1-26
1.4.6. Miscellaneous Federal Income Tax Issues . . . . .	1-26
1.4.6.1. Self-Employment Tax. . . . .	1-27
1.4.6.2. Passive Loss Rules . . . . .	1-28
1.4.6.3. Method of Accounting . . . . .	1-29
1.4.6.4. Special Consideration for Non-U.S. Members . . . . .	1-30
1.4.7. California Tax Treatment of LLCs . . . . .	1-30
1.4.7.1. California Tax Classification . . . . .	1-30
1.4.7.2. California Taxation of LLCs. . . . .	1-31
1.4.7.3. Constitutionality of the California Gross Receipts Fee. . . . .	1-32.1
1.5. The California Limited Liability Company Act. . . . .	1-33
1.5.1. Overview. . . . .	1-33
1.5.2. The 1996 Amendments to the Act . . . . .	1-34
1.5.3. The 1999 Amendments to the Act . . . . .	1-36
1.6. Comparison of the California Act with Other LLC Acts . . . . .	1-37
1.6.1. Flexible vs. Bulletproof Statutes. . . . .	1-38

CONTENTS

1.6.2.	Term of the LLC . . . . .	1-38
1.6.3.	Written Operating Agreement . . . . .	1-38
1.6.4.	Filing of Statement in Articles of Organization to Designate Manager . . . . .	1-39
1.7.	Securities Law Aspects Relating to Limited Liability Companies . . . . .	1-39
1.7.1.	General Securities Law Applicability to LLC Membership Interests . . . . .	1-40
1.7.1.1.	Membership Interests and SEC Reporting Requirements . . . . .	1-42
1.7.1.2.	Tacking Holding Periods for Rule 144 Purposes . . . . .	1-43
1.7.2.	California Securities Laws Regarding LLC Interests as Securities . . . . .	1-44.1
1.7.2.1.	Offer and Sale of Membership Interests, Generally . . . . .	1-45
1.7.2.2.	Mergers and Reorganizations Involving LLCs . . . . .	1-45
1.7.2.3.	Conversions of Entities . . . . .	1-47
1.7.2.4.	2004 “Finders” Legislation . . . . .	1-48
1.8.	Use of LLCs by Professionals in California . . . . .	1-49
1.8.1	Pre-2004 History . . . . .	1-49
1.8.2	The 2004 Attorney General’s Opinion. . . . .	1-50.2
1.9.	The S Corporation Alternative . . . . .	1-51
1.10.	California Alcoholic Beverage Control Licensing of LLCs . . . . .	1-52
1.11.	Spousal Consent . . . . .	1-53
1.12.	Acquisition of an LLC Interest by an Employee of the LLC . . . . .	1-55
1.13.	Litigation Issues . . . . .	1-57
1.13.1.	Cases Involving Jurisdictional Issues . . . . .	1-57
1.13.1.1.	Diversity Jurisdiction . . . . .	1-57
1.13.1.2.	In Personam Jurisdiction . . . . .	1-58
1.13.1.3.	Subject Matter Jurisdiction and Choice of Forum . . . . .	1-59
1.13.2.	An LLC May Not Represent Itself in Court . . . . .	1-59
1.13.3.	LLC Has Standing to Sue Member . . . . .	1-60
1.13.4.	Piercing the Veil. . . . .	1-61
1.13.5.	Piercing the Veil—Pre-formation Activities . . . . .	1-62
1.13.5A.	Other Bases for Member Liability . . . . .	1-63
1.13.6.	Antitrust Considerations . . . . .	1-64
1.13.7.	Derivative Actions Required if Injury Was to LLC. . . . .	1-64
1.14.	Bankruptcy Considerations . . . . .	1-64
1.15.	One-Member LLCs in California . . . . .	1-65

<b>CHAPTER 2: FORMATION AND ORGANIZATION</b> .....	<b>2-1</b>
2.1. Introduction .....	2-2
2.1.1. Sample Fee Agreement Between Law Firm and LLC to be Formed. ....	2-2
2.1.2. Legal Opinions Concerning California LLCs. ....	2-4
2.2. Preformation Matters .....	2-4.1
Form 2-1. Memorandum Attendant to the Execution and Filing of Articles of Organization. ....	2-4.2
Form 2-2. Letter Directing Execution and Filing of Articles of Organization .....	2-4.2
2.3. Form LLC-1. Articles of Organization .....	2-5
2.3.1. Basic Requirements .....	2-5
2.3.2. Optional Provisions for Item 7 or the Operating Agreement. ....	2-8
2.3.2.1. Provision Limiting Agency Authority of Members. ....	2-8
2.3.2.2. Provision Requiring Operating Agreement—Oral or Written .....	2-9
2.4. Form LLC-11. Certificate of Correction .....	2-10
2.5. Form LLC-2. Certificate of Amendment to Articles of Organization. ....	2-10
Form 2-3. Unanimous Consent of Members to Amend Articles of Organization .....	2-11
Form 2-4. Consent of Members to Amend Articles of Organization Where Operating Agreement Does Not Require Unanimity .....	2-12
2.6. Form LLC-10. Restated Articles of Organization .....	2-13
2.7. Reservation of Name .....	2-14
Form 2-5. Application to Reserve Name .....	2-14
2.8. Statement of Information Filing Requirements .....	2-15
2.9. Change of Resident Agent or Change of Address of Resident Agent. ....	2-16
2-10. Optional Recording in County Recorder’s Office .....	2-16

**PART II OPERATIONS**

<b>CHAPTER 3: THE OPERATING AGREEMENT</b> .....	<b>3-3</b>
3.1. In General. ....	3-2
3.2. “Operating Agreement” Defined .....	3-5
3.3. Flexibility of LLC Form .....	3-6.2
3.4. Form of Operating Agreement. ....	3-6.2
3.5. Formality of Adoption .....	3-7
3.6. Amendment .....	3-7
3.6.1. In General .....	3-7

CONTENTS

3.6.2.	Formality Required . . . . .	3-7
3.7.	Form Operating Agreements . . . . .	3-8
3.8.	Operating Protocols . . . . .	3-8
<b>CHAPTER 4: ORGANIZATION OF THE LLC . . . . .</b>		<b>4-1</b>
4.1.	Drafting LLC Organization Provisions . . . . .	4-3
4.2.	Introductory Paragraph . . . . .	4-3
	Form 4-1. Introductory Paragraph—Names Parties . . . . .	4-3
	Form 4-2. Introductory Paragraph—Does Not Name Parties . . . . .	4-4
4.3.	Background to Agreement. . . . .	4-4
	Form 4-3. Explanatory Statement . . . . .	4-4
4.4.	Confirmation of Agreement . . . . .	4-5
	Form 4-4. Confirmation of Agreement . . . . .	4-5
4.5.	Definitions . . . . .	4-5
4.5.1.	“Economic Interest” Compared to “Membership Interest” . . . . .	4-5
4.5.2.	“Interest Holder” Compared to “Member” . . . . .	4-6
	Form 4-5. General Definitions . . . . .	4-7
4.6.	Agreement to Organize LLC . . . . .	4-8
	Form 4-6. General Agreement to Organize LLC . . . . .	4-8
	Form 4-7. Organizational Provision Confirming that Articles of Organization Have Been Filed . . . . .	4-9
4.7.	Name . . . . .	4-9
	Form 4-8. Name Provision for Member-Managed LLC . . . . .	4-9
	Form 4-9. Name Provision for Manager-Managed LLC . . . . .	4-9
4.8.	Purpose . . . . .	4-10
	Form 4-10. Any Lawful Purpose . . . . .	4-10
	Form 4-11. Specific Purpose. . . . .	4-10
	Form 4-12. Purpose Limited to Real Estate . . . . .	4-10
4.9.	Term. . . . .	4-11
	Form 4-13. Term Commences on Date of Filing of Articles of Organizations . . . . .	4-11
	Form 4-14. Term Commences upon Execution of Operating Agreement. . . . .	4-12
4.10.	Office in California . . . . .	4-13
	Form 4-15. Office in California of LLC Managed by Members . . . . .	4-13
	Form 4-16. Office in California of LLC Managed by Managers. . . . .	4-13
4.11.	Resident Agent . . . . .	4-14
	Form 4-17. Resident Agent. . . . .	4-14

4.12.	Members . . . . .	4-14
	Form 4-18. Schedule of Members Set Forth in Exhibit. . . . .	4-14
	Form 4-19. Schedule of Members Set Forth in Text of Agreement. . . . .	4-15
	Form 4-20. Schedule of Members (without Percentages) . . . . .	4-15
4.13.	Managers . . . . .	4-16
	Form 4-21. Management of the LLC by Less than All Its Members . . . . .	4-16
4.14.	Miscellaneous Provisions . . . . .	4-17
	Form 4-22. Miscellaneous Provisions . . . . .	4-17
<b>CHAPTER 5: LIMITED LIABILITY COMPANY CAPITAL . . . . .</b>		<b>5-1</b>
5.1.	Drafting Capital Provisions . . . . .	5-3
5.2.	Initial Capital Contributions. . . . .	5-3
	Form 5-1. Initial Capital Contributions in Cash . . . . .	5-4
	Form 5-2. Initial Capital Contributions — Partly in Cash and Partly in Services . . . . .	5-4
	Form 5-3. Initial Capital contributions — Partly in Cash and Partly in Property . . . . .	5-5
	Form 5-4. Representation in Connection with Contribution of Property . . . . .	5-5
	Form 5-5. Capital Contributions Expressed by Reference to Capital Units . . . . .	5-5
5.3.	Additional Capital Contributions . . . . .	5-6
	Form 5-6. Additional Capital Contributions at Discretion of Manager — Limit on Amount . . . . .	5-6
	Form 5-7. Additional Capital Contributions at Discretion of Members — Limit on Amount . . . . .	5-7
	Form 5-8. No Liability Beyond Initial Capital Contribution. . . . .	5-7
	Form 5-9. No Liability Beyond Additional Capital Contributions . . . . .	5-8
5.4.	Default in Payment of Contributions . . . . .	5-8
	Form 5-10. Remedy of Reduction of Member’s Interest in Event of Failure to Make Contribution to Manager-Managed LLC . . . . .	5-9
	Form 5-11. Remedy of Multiple Reduction of Member’s Interest in Event of Failure to Make Contribution to Manager-Managed LLC . . . . .	5-10
	5.4.1. Compromise of Obligation to Make a Contribution . . . . .	5-10
	5.4A. Members’ Guarantee of LLC Obligations . . . . .	5-10.1

CONTENTS

	Form 5-11A. Members' Guarantee of Company Obligations . . . . .	5-10.2
5.5.	Interest on Capital Contributions . . . . .	5-11
	Form 5-12. No Interest on Capital Contributions . . . . .	5-11
	Form 5-13. Interest on Capital Contributions . . . . .	5-11
5.6.	Return of Contributions . . . . .	5-11
	Form 5-14. Return of Capital Contributions — Unanimous Consent of Members and Compliance with Act Required . . . . .	5-12
5.7.	Form of Distribution . . . . .	5-13
	Form 5-15. Form of Distribution — No Right to Receive Anything but Money . . . . .	5-13
	Form 5-16. Form of Distribution — Form of Distribution Is at Discretion of Manager in Manager-Managed LLC. . . . .	5-13
5.8.	Capital Accounts . . . . .	5-14
	Form 5-17. Capital Accounts Maintained in Accordance with Code Section 704 . . . . .	5-14
5.9.	Loans and Other Business Transactions with Members . . . . .	5-15
	Form 5-18. Loans — General Authority of LLC to Borrow Money from and to Transact Other Business with Members on Terms to Be Agreed upon in Future . . . . .	5-15
	Form 5-19. Loans — Authority to Make Specific Loan with General Authority to Borrow Money from Members on Terms to Be Agreed upon in Future . . . . .	5-16
<b>CHAPTER 6: ALLOCATION AND DISTRIBUTION PROVISIONS</b>		<b>6-1</b>
6.1.	Taxation of the LLC . . . . .	6-3
6.2.	General Allocation and Distribution Concepts . . . . .	6-3
6.3.	Distribution Restrictions under the Act . . . . .	6-5
6.4.	Allocation Restrictions — IRC Section 704(b) . . . . .	6-5
	6.4.1. Overview . . . . .	6-5
	6.4.2. The Three Alternative Allocation Tests . . . . .	6-6
	6.4.2.1. The First Test: Partners' Interests in the Partnership . . . . .	6-6
	6.4.2.2. The Second Test: Substantial Economic Effect and Capital Accounts . . . . .	6-6.1
	6.4.2.3. The Third Test: Nonrecourse Debt . . . . .	6-7
	6.4.3. Allocations to Interest Holders . . . . .	6-8
6.5.	Definitions . . . . .	6-9
	6.5.1. Distribution-Related Definitions . . . . .	6-9
	Form 6-1. Distribution Definitions . . . . .	6-10
	6.5.2. Allocation-Related Definitions . . . . .	6-11

	Form 6-2. Tax Definitions . . . . .	6-11
6.6.	Basic Distribution Provisions . . . . .	6-14
6.6.1.	In General . . . . .	6-14
6.6.2.	Cash Flow from Operations . . . . .	6-15
	Form 6-3. Distributions of Cash Flow . . . . .	6-15
	6.6.2.1. Minimum Tax Distribution . . . . .	6-15
	Form 6-3A. Tax Distribution to Pay Taxes . . . . .	6-15
6.6.3.	Distribution of Capital Proceeds . . . . .	6-16
	Form 6-4. Distribution of Capital Proceeds . . . . .	6-16
6.6.4.	Liquidation Proceeds . . . . .	6-16
	Form 6-5. Liquidation and Dissolution . . . . .	6-17
	Form 6-6. Liquidation and Dissolution — Deficit Restoration Obligation . . . . .	6-17
6.7.	Basic Allocation Provisions . . . . .	6-18
6.7.1.	Basic Allocations of Income and Loss . . . . .	6-18
	Form 6-7. Profit or Loss . . . . .	6-18.1
6.7.2.	Qualified Income Offset and Minimum Gain Chargeback . . . . .	6-19
	Form 6-8. Qualified Income Offset and Minimum Gain Chargeback . . . . .	6-20
6.7.3.	Other Regulatory Allocations . . . . .	6-21
	Form 6-9. Regulatory Allocations . . . . .	6-23
	6.7.3.1. Simplified Allocation Provisions . . . . .	6-25
6.7.4.	General Provisions . . . . .	6-25
	Form 6-10. General Provisions . . . . .	6-26
6.8.	Complex and Disproportionate Distribution and Allocation Provisions . . . . .	6-26.1
6.8.1.	Distribution Preferences . . . . .	6-26.1
	Form 6-11. Distribution Preference . . . . .	6-27
6.8.2.	Disproportionate Allocation of Losses . . . . .	6-30
	Form 6-12. Disproportionate Allocation of Loss . . . . .	6-31
6.8.3.	Flip-Flops . . . . .	6-31
	Form 6-13. Flip-Flop on Sale . . . . .	6-32
	<b>CHAPTER 7: MANAGEMENT PROVISIONS . . . . .</b>	<b>7-1</b>
7.1.	Drafting LLC Management Provisions . . . . .	7-3
7.1.1.	General Flexibility under the Act . . . . .	7-3
7.1.2.	Typical Approaches . . . . .	7-4
7.1.3.	Officers, Managers, and Authorized Persons . . . . .	7-4

CONTENTS

7.1.4. Tax Aspects . . . . . 7-5

7.2. Member-Managed LLC Provisions . . . . . 7-5

Form 7-1. Member-Management Provision . . . . . 7-6

Form 7-2. Member Management but with Appointment of Ministerial Manager . . . . . 7-6

7.3. Representative Management . . . . . 7-6

7.3.1. Management by a “Managing Partner”-Like Manager 7-7

Form 7-3. Manager with “Managing Partner”-Like Authority . . . . . 7-7

Form 7-4. Manager with “Managing Partner”-Like Authority — Alternate Form . . . . . 7-10

7.3.2. Management by Management Committee . . . . . 7-10

Form 7-5. Management Committee . . . . . 7-11

Form 7-6. Board of Managers . . . . . 7-13

7.4. Replacement of Managers . . . . . 7-13

Form 7-7. Removal of Manager for Any Reason . . . . . 7-13

Form 7-8. Removal of Manager for Only Specified Reasons . . . . . 7-14

7.5. Meetings of Members (Section 17104) . . . . . 7-14

Form 7-9. Procedure for Calling and Holding Meetings of Members . . . . . 7-15

7.6. Informal Action of Members; Form of Member Consents . . . . . 7-16

Form 7-10. Informal Actions . . . . . 7-17

Form 7-11. Form of Consent of Members . . . . . 7-17

7.7. Unanimous Vote Provision . . . . . 7-18

Form 7-12. Voting Requirement for Major Decisions . . . . . 7-19

7.8. Deadlock and Resolution . . . . . 7-19

Form 7-13. Arbitration of Deadlock . . . . . 7-20

Form 7-14. Russian Roulette in the Event of Deadlock . . . . . 7-20

7.9. Compensation and Reimbursement of Expenses . . . . . 7-23

Form 7-15. No Arrangement for Compensation (Member-Managed) . . . . . 7-24

Form 7-16. Compensation (Manager-Managed) . . . . . 7-24

Form 7-17. Extraordinary Compensation . . . . . 7-25

7.10. Fiduciary Duty and Standard of Care . . . . . 7-26

7.10.1. California Law Relating to LLCs . . . . . 7-26

7.10.2. Delaware Law Relating to LLCs . . . . . 7-30

Form 7-18. Standard of Care and Degree of Loyalty . . . . . 7-30.2

Form 7-19. Standard of Care and Degree of Loyalty Tracking CALUPA-94 . . . . . 7-32

Form 7-20. Corporate Director Standard of Fiduciary Duty . . . . . 7-33

7.11. Indemnification . . . . . 7-33  
 Form 7-21. Indemnification of General Manager  
                     (Manager-Managed) . . . . . 7-33  
 Form 7-22. Indemnification of Members (Member-Managed) . . . . . 7-34

**CHAPTER 8: TRANSFER AND BUY SELL PROVISIONS . . . . . 8-1**

8.1. Default Rules to Transfer of Interests . . . . . 8-3  
     8.1.1. Important Definitions. . . . . 8-3  
     8.1.2. Separation of Economic Interest from Other  
             Attributes of Membership. . . . . 8-4  
     8.1.3. Default Rules for Voluntary Assignment of  
             Membership Interest . . . . . 8-4

8.2. Tax Aspects of Assignment Restrictions . . . . . 8-5  
     8.2.1. Partnership Classification . . . . . 8-5  
     8.2.2. Termination of the LLC . . . . . 8-6  
     8.2.3. Basis Issues . . . . . 8-6

8.3. Preliminary Drafting Considerations . . . . . 8-7  
     Form 8-1. Definitional Provision — Transfer . . . . . 8-7  
     Form 8-2. Definitional Provisions — Economic Interest and  
             Membership Interest . . . . . 8-8

8.4. Drafting Assignment Provisions That Follow the Act’s  
 Default Rules . . . . . 8-8  
     Form 8-3. Assignment Provision Following Act’s  
             Default Rules . . . . . 8-8

8.5. Drafting Transfer Provisions That Permit Free Transferability of  
 Interests . . . . . 8-9  
     Form 8-4. Free Transferability of Membership Interests. . . . . 8-9

8.6. Drafting Transfer Provisions That Absolutely Prohibit Transfers  
 of Any Kind . . . . . 8-9  
     Form 8-5. Absolute Prohibition of Transfers. . . . . 8-10

8.7. Drafting Transfer Provisions That Permit Transfers Only on  
 Certain Conditions . . . . . 8-10  
     8.7.1. In General . . . . . 8-10  
         Form 8-6. Transfer Permitted on Satisfaction of  
             Certain Conditions . . . . . 8-11  
     8.7.2. First Refusal Rights . . . . . 8-12  
         Form 8-7. Company Right of First Refusal. . . . . 8-12  
         Form 8-8. Subsequent Right of Refusal in  
             Members . . . . . 8-13  
         Form 8-9. Rights of Refusal Pertaining to Award  
             to Member’s Spouse or Bequest by  
             Spouse . . . . . 8-16

CONTENTS

	Form 8-10. Right of First Offer; LLC Purchases; Cash Purchase . . . . .	8-16
8.7.3.	Admission of Transferee as a Member . . . . .	8-17
	Form 8-11. Transferee Not Admitted as Member without Consent of Members . . . . .	8-18
	Form 8-12. Transferee Automatically Admitted as Member . . . . .	8-19
8.7.4.	Transfers to Members' Affiliates and Family . . . . .	8-20
	Form 8-13. Definitional Provision -- Family . . . . .	8-20
	Form 8-14. Transfers to Affiliates and Family . . . . .	8-20
8.8.	Withdrawal under the Act . . . . .	8-21
8.8.1.	Voluntary Withdrawal . . . . .	8-21
	Form 8-15. Voluntary Withdrawal Defined . . . . .	8-22
	Form 8-16. Voluntary Withdrawal — Not Permitted . . . . .	8-22
8.8.2.	Involuntary Withdrawal . . . . .	8-23
	Form 8-17. Involuntary Withdrawal Defined (Long Form) . . . . .	8-23
	Form 8-18. Involuntary Withdrawal Defined (Short Form) . . . . .	8-24
8.9.	Consequences of Disassociation in General . . . . .	8-25
	Form 8-19. Successor of Withdrawn Member Continues as Unadmitted Assignee . . . . .	8-25
8.10.	Creating Buy-out Rights . . . . .	8-25
	Form 8-20. Optional Buy-out; Company Buys; Cash Purchase . . . . .	8-26
	Form 8-21. Mandatory Buy-out; Members Buy; Installments Permitted . . . . .	8-27
8.11.	Valuation Provisions . . . . .	8-27
	Form 8-22. Agreed Value with Appraisal Alternative . . . . .	8-28
	Form 8-23. Modified Book Value . . . . .	8-28
	Form 8-24. Appraised Value . . . . .	8-30
8.12.	Miscellaneous Transfer Provisions . . . . .	8-30
	Form 8-25. Installment Buy-outs . . . . .	8-31
	Form 8-26. Insolvency . . . . .	8-31
	Form 8-27. Members Not Required to Assume Company's Obligation . . . . .	8-32
8.13.	Charging Orders . . . . .	8-32
8.14.	Taking a Security Interest in a Membership Interest . . . . .	8-34
	<b>CHAPTER 9: DISSOLUTION . . . . .</b>	<b>9-1</b>
9.1.	Tax Aspects of LLC Dissolution . . . . .	9-3
9.2.	Overview of the Act's Dissolution Provisions . . . . .	9-3

9.3.	Events of Dissolution . . . . .	9-5
	Form 9-1. Dissolution . . . . .	9-5
	Form 9-2. Dissolution — Events of Withdrawal Result in Dissolution. . . . .	9-6
	Form 9-3. Dissolution — Refers to Limited Dissolution Events . . . . .	9-6
9.4.	Vote Required to Continue after Event of Dissolution. . . . .	9-6
	Form 9-4. Unanimous Vote Required to Continue after Dissolution . . . . .	9-7
	Form 9-5. Sample Resolutions Approving Continuation of Business after Dissolution . . . . .	9-7
9.5.	Certificate of Dissolution . . . . .	9-9
	Form 9-6. Certificate of Dissolution . . . . .	9-10
9.6.	Certificate of Continuation. . . . .	9-10
	Form 9-7. Certificate of Continuation . . . . .	9-11
9.7.	Procedure for Winding Up and Distribution of Assets . . . . .	9-11
	Form 9-8. Procedure for Winding Up in Member-Managed LLC . . . . .	9-12
	Form 9-9. Procedure for Winding Up in Manager-Managed LLC . . . . .	9-13
	Form 9-10. Procedure for Winding Up in Member-Managed LLC; Reference to Another Section of Operating Agreement for Manner of Distribution to Members	9-15
	Form 9-11. Procedure for Winding Up in Manager-Managed LLC; Reference to Another Section of Operating Agreement for Manner of Distribution to Members	9-15
	Form 9-12. Procedure for Winding Up and Distribution of Assets in Manager-Managed LLC — Manager Acts as Liquidating Trustee . . . . .	9-15
9.8.	Termination; Certificate of Cancellation of Articles of Organization. . . . .	9-16
	Form 9-13. Filing of Certificate of Cancellation of Articles of Organization — Member-Managed LLC . . . . .	9-17
	Form 9-14. Filing of Certificate of Cancellation of Articles of Organization — Manager-Managed LLC . . . . .	9-17
	Form 9-15. Certificate of Cancellation of Articles of Organization. . . . .	9-18
<b>CHAPTER 10: BOOKS, RECORDS, AND ACCOUNTING . . . . .</b>		<b>10-1</b>
10.1.	Introduction . . . . .	10-2
10.2.	Maintenance of Books and Records. . . . .	10-2

CONTENTS

Form 10-1. Maintenance of Books and Records —  
Member-Managed LLC . . . . . 10-3

Form 10-2. Maintenance of Books and Records —  
Manager-Managed LLC . . . . . 10-4

10.3. Access to Books and Records; Delivery of Reports . . . . . 10-5

Form 10-3. Inspection of Books and Records; Receipt  
of Information (Member-Managed LLC) . . . . . 10-8

Form 10-4. Inspection of Books and Records; Receipt  
of Information (Manager-Managed LLC) . . . . . 10-10

10.4. Banking . . . . . 10-11

Form 10-5. Bank Accounts . . . . . 10-12

10.5. Accounting Period . . . . . 10-12

Form 10-6. Calendar Year Accounting Period Specified . . . . . 10-12

Form 10-7. Fiscal Year Accounting Period Specified . . . . . 10-12

Form 10-8. Year to Be Determined by Members . . . . . 10-13

Form 10-9. Annual Accounting Period Established by  
Managers . . . . . 10-13

10.6. Tax Matters Partner . . . . . 10-13

Form 10-10. Tax Matters Partner (Short Form) . . . . . 10-14

Form 10-11. Tax Matters Partner (Long Form) . . . . . 10-14

Form 10-11A. No Tax Matters Partner . . . . . 10-14.1

Form 10-12. Tax Elections — Manager-Managed LLC . . . . . 10-15

Form 10-13. Tax Elections — Applies to IRC Section 754 Only . . . . . 10-15

10.7. Tax Elections . . . . . 10-15

10.8. Title to Property . . . . . 10-16

Form 10-14. Title to Property — In Company Name . . . . . 10-16

Form 10-15. Title to Company Property — Use of Nominee  
Permitted . . . . . 10-17

10.9. Penalties — Failure to Maintain Books and Records . . . . . 10-17

**PART III  
MISCELLANEOUS**

**CHAPTER 11: REORGANIZATION OF THE LLC11-3**

11.1. In General . . . . . 11-5

11.2. Admission of New Members . . . . . 11-5

11.2.1. Acquisition of Membership Interest from  
Company . . . . . 11-5

Form 11-1. Simple Subscription Agreement for  
LLC Membership Interest . . . . . 11-7

	Form 11-2. Long Form Subscription Agreement for LLC Membership Interest . . . . .	11-8
	Form 11-3. First Amendment to Operating Agreement Admitting Assignee of Interest as a Member . . . . .	11-11
11.2.2.	Acquisition of Interest from Another Member . . . . .	11-13
	Form 11-4. Joinder Agreement . . . . .	11-15
11.3.	Reorganizing an Existing Entity into an LLC . . . . .	11-15
11.3.1.	In General . . . . .	11-15
	11.3.1.1. Statutory Authority for Conversions Involving LLCs. . . . .	11-16
11.3.2.	Reorganizing a General Partnership into an LLC. . . . .	11-17
	Form 11-5. Explanatory Statement — Reorganization of General Partnership into LLC . . . . .	11-19
	Form 11-6. Term Is Continuation of Term of Partnership. . . . .	11-19
	Form 11-7. Initial Capital Contributions — In Property Consisting of Partnership Interests in LLC's Predecessor . . . . .	11-20
	Form 11-8. Assignment of General Partnership Interests to LLC. . . . .	11-20
	Form 11-9. Resolutions of Members Approving Liquidation of Partnership into LLC. . . . .	11-21
11.3.3.	Reorganizing a Limited Partnership into an LLC. . . . .	11-21
11.3.4.	Reorganizing a Corporation into an LLC. . . . .	11-22
11.3.5.	Acquisition of Corporation by an LLC. . . . .	11-24
11.4.	Reorganizing an LLC into a Corporation. . . . .	11-24.3
11.4A.	Mergers Involving Single-Member LLC . . . . .	11-24.4
	11.4A.1. Merger of a Single-Member LLC into an Acquiring Corporation . . . . .	11-24.4
	11.4A.2. Merger of a Target Corporation into a Single-Member LLC. . . . .	11-24.5
11.5.	Recapitalizing the LLC . . . . .	11-24.5
	Form 11-10. Form of Amendment to Operating Agreement . . . . .	11-25
11.6.	Mergers Involving a California LLC . . . . .	11-26
11.6A.	Tax Treatment of LLC Mergers . . . . .	11-28
11.7.	Dissenters' Rights . . . . .	11-28.1
	Form 11-11. Merger of Two California LLCs . . . . .	11-28.1
	Form 11-12. Merger of Three California LLCs with Different Classes of Interests . . . . .	11-31

CONTENTS

11.8. Statutory Conversions . . . . . 11-33

11.8.1. California LLC Conversion into Other  
Business Entity or a Foreign LLC . . . . . 11-35

11.8.2. Other Business Entity or Foreign  
LLC Conversion into California LLC . . . . . 11-36

Form 11-13. Plan of Conversion of  
\_\_\_\_\_ Limited  
Partnership, a California  
Limited Partnership, into  
\_\_\_\_\_ LLC, a  
California Limited  
Liability Company . . . . . 11-37

Form 11-14. Resolutions Adopted by  
the Unanimous Written  
Consent of the Partners of  
\_\_\_\_\_ Limited Partnership,  
a California Limited Partnership . . . . . 11-38

11.8.3. Filing of Certificate of Statement of Conversion. . . . . 11-40

**CHAPTER 12: FOREIGN LIMITED LIABILITY COMPANIES . . . 12-1**

12.1. Foreign LLCs Transacting Business in California . . . . . 12-2

12.1.1. Governing Law . . . . . 12-2

12.1.1.1. California Tax Treatment of Series  
LLC . . . . . 12-2

12.1.2. Definitions . . . . . 12-2.1

12.1.2.1. Transacting Intrastate Business . . . . . 12-2.1

12.1.2.2. Interstate, Intrastate, or Foreign  
Business . . . . . 12-4

12.1.3. Procedure for Registration . . . . . 12-4

12.1.4. Filing Fee . . . . . 12-5

12.1.5. Issuance and Cancellation of Registration . . . . . 12-5

12.1.6. Transacting Business without Registration . . . . . 12-6

12.1.7. Merger . . . . . 12-6.1

12.2. Application of the Internal Affairs Doctrine in California . . . . . 12-7

**CHAPTER 13: [RESERVED]. . . . . 13-1**

**CHAPTER 14: LIMITED LIABILITY PARTNERSHIPS . . . . . 14-1**

14.1. Introduction . . . . . 14-2

14.2. California’s RLLP Statute . . . . . 14-3

14.2.1. The 1995 Legislation . . . . . 14-3

14.2.2. California as Compared to Other RLLP Statutes. . . . . 14-4

14.2.3. California’s New Uniform Partnership Act . . . . . 14-6

14.3. Requirements for Becoming a California RLLP. . . . . 14-8

14.3.1.	Summary of Requirements . . . . .	14-8	
14.3.2.	Type of Entity That May Become an RLLP . . . . .	14-9	
14.3.3.	Name Requirements . . . . .	14-9	
	14.3.4. Registration Form . . . . .	14-10	
	14.3.5. Filing Fee . . . . .	14-11	
14.4.	Types of Businesses that Can Become RLLPs . . . . .	14-11	
14.5.	Client Security Requirements Generally . . . . .	14-13	
	14.5.1. Security Requirements for Accountancy Firms . . . . .	14-14	
	14.5.2. Security Requirements for Law Firms . . . . .	14-15	
	14.5.3. Security Requirements for Architectural Firms . . . . .	14-17	
14.6.	Conversion of Domestic Partnership to an RLLP . . . . .	14-18	
14.7.	Post-Registration Filing Requirements . . . . .	14-20	
	14.7.1. Annual Returns . . . . .	14-20	
	14.7.2. Accountancy Firms — Confirmation of Net Worth . . . . .	14-21	
	14.7.3. Amendments to Registration Form . . . . .	14-21	
14.8.	Foreign Limited Liability Partnerships in California . . . . .	14-22	
	14.8.1. Foreign LLP Filing Requirements . . . . .	14-22	
14.9.	Partner Liability in California RLLP . . . . .	14-23	
14.10.	Litigation Issues . . . . .	14-24	
	14.10.1. LLP Citizenship in Federal Cases Based upon Diversity Jurisdiction . . . . .	14-24	
	14.10.2. Equitable Remedies . . . . .	14-25	
	14.10.3. LLPs as “Successor in Interest” to the Partnership . . . . .	14-25	
	14.10.4. Members’ Respective Contribution Obligations for Illegal Distributions . . . . .	14-25	
	14.10.5. Partners as Employees . . . . .	14-26	
<b>CHAPTER 15: COMPENSATION STRATEGIES FOR THE LLC. .</b>		<b>15-1</b>	
15.1.	Introduction . . . . .	15-3	
	15.1.1. Proposed Regulations — Partnership Interests for Services . . . . .	15-5	
		15.1.1.1. Overview . . . . .	15-5
		15.1.1.2. General Rules and Valuation Principles . . . . .	15-6
		15.1.1.3. Section 83(b) Election . . . . .	15-6.1
		15.1.1.4. Scope of Liquidation Value Safe Harbor . . . . .	15-6.2
		15.1.1.5. Procedural Requirements . . . . .	15-6.3
		15.1.1.6. Forfeiture of Unvested Compensatory Interests Subject to Section 83(b) Election . . . . .	15-6.3
		15.1.1.7. Conclusion . . . . .	15-6.3
15.2.	IRC Section 83 . . . . .	15-6.4	

CONTENTS

15.3. Hypo, LLC. . . . . 15-6.5

15.4. LLC (Partnership) vs. Corporation Compensation Methods. . . . . 15-11

    15.4.1. Corporation Context. . . . . 15-11

        15.4.1.1. Stock Grants. . . . . 15-11

        15.4.1.2. Stock Options. . . . . 15-12

        15.4.1.3. Phantom Stock Plans . . . . . 15-13

    15.4.2. The LLC Context . . . . . 15-13

        15.4.2.1. Equity Interests . . . . . 15-14

            15.4.2.1.1. “Full Equity Interest” . . . . . 15-14

        15.4.2.2. Point System Compensation . . . . . 15-15

        15.4.2.3. The Importance of Member Involvement . . . . . 15-16.1

        15.4.2.4. Loss Allocation and Debt Guarantees . . . . . 15-17

        15.4.2.5. Equity Interest vs. Non-equity Incentive Compensation. . . . . 15-17

    15.4.2A. Compensating Employees with Stock of a Corporate Member . . . . . 15-19

    15.4.3. Compensation Comparison Chart . . . . . 15-20

15.5. Phantom Income and Distributions. . . . . 15-22.1

    15.5.1. Tax Effected Distributions . . . . . 15-22.1

        15.5.1.1. Separate Calculations for Each Member . . . . . 15-22.1

        15.5.1.2. Standard Distribution Rate. . . . . 15-23

        15.5.1.3. Highest Incremental Tax Rate . . . . . 15-24

    15.5.2. Self-Employment Tax . . . . . 15-26

        15.5.2.1. Calculating Self-Employment Income. . . . . 15-27

        15.5.2.2. Application of Self-Employment Tax to LLC Members. . . . . 15-27

15.6. Fiduciary Duties, Inspection Rights and Other Duties to Equity Holders . . . . . 15-28

    15.6.1. Rights of (Soon-to-Be-Former) Shareholders: *Stephenson v. Drever*. . . . . 15-29

    15.6.2. Fiduciary Duties Enforced Even Though Little Is at Stake . . . . . 15-31

    15.6.3. Fiduciary Duties of Minority Shareholders Who Look to the Court Like Partners . . . . . 15-31

15.7. Securities Law Issues . . . . . 15-33

15.8. Covenants Not to Compete . . . . . 15-33

15.9. Member Exit Strategies: Buyout Arrangements . . . . . 15-34.1

15.10. Forms: Equity and Non-Equity-Based LLC Compensation Plans . . . . . 15-35

    Form 15-1. Stock Grant Agreement. . . . . 15-35

Form 15-2. Communications, LLC: Employee Incentive Compensation Plan . . . . .	15-41
Form 15-3. Communications, LLC: Employee Incentive Compensation Plan (Corporate Format) . . . . .	15-51
15.11. Profits Interest Grant Agreements . . . . .	15-59
<b>CHAPTER 16: THE NEVADA LLC ACT . . . . .</b>	<b>16-1</b>
16.1. The Nevada Limited Liability Company Act. . . . .	16-4
16.1.1. Overview. . . . .	16-4
16.1.2. The 1993 Amendments. . . . .	16-6
16.1.3. The 1995 Amendments. . . . .	16-6
16.1.4. The 1997 Amendments. . . . .	16-7
16.1.5. The 1999 Amendments. . . . .	16-7
16.1.6. The 2001 Amendments. . . . .	16-7
16.2. Comparison of the Nevada and California LLC Acts . . . . .	16-8
16.2.1. Flexible Statutes . . . . .	16-8
16.2.2. Term . . . . .	16-9
16.2.3. Written Operating Agreement. . . . .	16-9
16.2.4. Provisions Regarding Management . . . . .	16-10
16.2.5. Annual Filing . . . . .	16-11
16.2.6. State Taxation . . . . .	16-11
16.2.7. Fiduciary Duties . . . . .	16-12
16.2.8. Dissenter’s Rights. . . . .	16-12
16.3. Formation, Organization and Operation. . . . .	16-12
16.3.1. Legal Opinions Regarding NLLC's . . . . .	16-12
16.3.2. Nevada Articles of Organization . . . . .	16-12
16.3.2.1. Basic Requirements . . . . .	16-13
Form 16-1. Secretary of State Articles of Organization . . . . .	16-14
Form 16-2. Articles of Organization of _____, a Nevada Limited-Liability Company . . . . .	16-16
16.3.2.2. Optional Provisions . . . . .	16-17
16.3.2.3. Certificate of Amendment . . . . .	16-18
Form 16-3. Amendment to Articles of Organization . . . . .	16-20

CONTENTS

	Form 16-4. Termination of Amendment for a Limited-Liability Company . . . . .	16-20
	Form 16-5. Certificate to Accompany Restated Articles . . . . .	16-21
	Form 16-6. Certificate of Correction . . . . .	16-22
16.3.3.	Acceptance of Resident Agent . . . . .	16-23
	Form 16-7. Resident Agent Acceptance . . . . .	16-24
16.3.4.	Annual List of Managers or Members . . . . .	16-25
	Form 16-8. Initial List of Manager or Members and Resident Agent of _____ . . . . .	16-25
	Form 16-9. Annual List of Manager or Members and Resident Agent of _____ . . . . .	16-27
16.3.5.	Change of Resident Agent . . . . .	16-29
	Form 16-10. Certificate of Change of Resident Agent and/or Location of Registered Office . . . . .	16-29
	Form 16-11. Certificate of Change of Address of Resident Agent and Registered Office . . . . .	16-30
	Form 16-12. Certificate of Name Change of Resident Agent . . . . .	16-31
	Form 16-13. Certificate of Resignation of Resident Agent . . . . .	16-32
16.3.6.	Nevada Operating Agreement . . . . .	16-33
	16.3.6.1. Customary Provisions . . . . .	16-33
	16.3.6.2. Optional Provisions . . . . .	16-33
	16.3.6.3. Amendment of Operating Agreement . . . . .	16-34
16.3.7.	Books, Records and Accounting . . . . .	16-34
	16.3.7.1. Records Required to Be Maintained . . . . .	16-34
	16.3.7.2. Access to Books and Records . . . . .	16-35
16.3.8.	Mergers, Conversions and Domestications . . . . .	16-35
	16.3.8.1. Mergers . . . . .	16-35
	16.3.8.2. Conversions . . . . .	16-38
	16.3.8.3. Domestication . . . . .	16-40
	Form 16-14. Articles of Merger of _____ and _____ . . . . .	16-40
	Form 16-15. Secretary of State Articles of Merger . . . . .	16-42
	Form 16-16. Secretary of State Articles of Exchange . . . . .	16-48

	Form 16-17. Agreement and Plan of Merger . . . . .	16-52
	Form 16-18. Secretary of State Articles of Conversion . . . . .	16-55
	Form 16-19. Termination of Merger, Exchange or Conversion . . . . .	16-57
16.3.9.	Dissolution . . . . .	16-58
	Form 16-20. Dissolution of Limited- Liability Company . . . . .	16-59
	Form 16-21. Application for Reinstatement . . . . .	16-60
16.3.10.	Charging Order . . . . .	16-61
16.3.11.	Fiduciary Duty and Standard of Care . . . . .	16-61
16.3.12.	Professionals May Organize . . . . .	16-61
<b>CHAPTER 17: LLCs FORMED FOR SPECIFIC PURPOSES . . . . .</b>		<b>17-1</b>
17.1.	Introduction . . . . .	17-1
17.2.	Special Purpose LLCs (“SPEs”) . . . . .	17-1
17.2.1.	Special Purpose LLC Example . . . . .	17-2
<b>CHAPTER 18: BANKRUPTCY ISSUES CONCERNING LLCs . . . . .</b>		<b>18-1</b>
18.1.	Overview . . . . .	18-3
18.2.	Eligibility of LLCs for Voluntary Relief under the Bankruptcy Code . . . . .	18-3
18.3.	Property of the Estate . . . . .	18-4
	Form 18-1. Operating Agreement Provision— Limitation on Obligation to Make Additional Capital Contributions . . . . .	18-5
18.4.	May a Member Commence an Involuntary Case Against an LLC? . . . . .	18-5
18.5.	What Approval Is Needed to Approve the Filing of a Voluntary Case by an LLC? . . . . .	18-6
	Form 18.2. Operating Agreement Provision—Unanimous Consent of Members to Filing Voluntary Case . . . . .	18-8
	Form 18-3. Operating Agreement Provision—Consent of Majority of Members to Filing a Voluntary Case . . . . .	18-8
	Form 18-4. Operating Agreement Provision— Manager Vote Required for Filing a Voluntary Case . . . . .	18-9
	Form 18-5. Operating Agreement Provision—Member and Manager Vote Required for Filing a Voluntary Case . . . . .	18-9
	Form 18-6. Resolutions of Members in Member- Managed LLC—Consenting to Filing a Voluntary Case under Chapter 7 . . . . .	18-10

CONTENTS

Form 18-7. Resolutions of Board of Directors in  
Director-Managed LLC — Consent to  
Filing a Voluntary Case under Chapter 11 . . . . . 18-11

18.6. Creating Limitations on the Ability of an  
LLC to Commence a Voluntary Case —  
Single-Purpose Bankruptcy Remote LLCs . . . . . 18-12

Form 18-8. Operating Agreement Provision—Purpose  
Clause for a SPBR LLC . . . . . 18-14

Form 18-9. Operating Agreement Provision—  
Management of Business and Affairs  
of the Company . . . . . 18-14

Form 18-10. Operating Agreement Provision—Transfers . . . . . 18-19

Form 18-11. Operating Agreement Provision—  
Dissolution of the Company . . . . . 18-20

Form 18-12. Operating Agreement Provision—  
Special Amendment Provision . . . . . 18-21

18.7. Right of LLC or Remaining Members to Terminate  
Management Rights of a Bankrupt Member . . . . . 18-22

18.8. Member’s Bankruptcy as an Event of Dissolution . . . . . 18-24

18.9. Buyout of a Member’s Interest in the Event of the  
Member’s Bankruptcy . . . . . 18-25

18.10. Another Application of Corporate-Like Characteristics . . . . . 18-25

**PART IV  
APPENDICES**

**APPENDIX A: MEMBER-MANAGED OPERATING  
AGREEMENT . . . . . APP A-1**

**APPENDIX B: MANAGER-MANAGED OPERATING  
AGREEMENT . . . . . APP B-1**

**APPENDIX C: [MANAGER-MANAGED] OPERATING  
AGREEMENT . . . . . APP C-1**

**APPENDIX C1: SHORT-FORM OPERATING  
AGREEMENT . . . . . APP C1-1**

**APPENDIX C2: OPERATING PROTOCOL  
(BAY AREA REALTY) . . . . . APP C2-1**

**APPENDIX C3: OPERATING PROTOCOL  
(MARKETING LLC) . . . . . APP C3-1**

**APPENDIX C4: PROFITS INTEREST GRANT  
AGREEMENT . . . . . APP C4-1**

**APPENDIX C5: MEMBERSHIP INTEREST GRANT  
AGREEMENT . . . . . APP C5-1**

**APPENDIX C6: SAMPLE MEMO TO BE GIVEN TO RECIPIENT OF PROFITS INTEREST GRANT. . . . . APP C4-1**

**APPENDIX D: CALIFORNIA LIMITED LIABILITY COMPANY ACT . . . . . APP D-1**

**APPENDIX D2: ATTORNEY GENERAL OPINION . . . . . APP D2-1**

**APPENDIX E: SECRETARY OF STATE FORMS . . . . . APP E-1**

**APPENDIX F: GLOSSARY OF TERMS . . . . . APP F-1**

**APPENDIX G: LETTER TO NEW LLC REGARDING OPERATIONAL AND OTHER POST-FORMATION MATTERS AND LETTER RE \$800 TAX AND LLC-12 AND FORM FTB 3522 . . . . . APP G-1**

**APPENDIX H: LIMITED LIABILITY PARTNERSHIP . . . . . APP H-1**

**APPENDIX I: CHECK-THE-BOX REGULATIONS. . . . . APP I-1**

**APPENDIX J: IRS FORM 8832 . . . . . APP J-1**

**APPENDIX K: LLC ORGANIZATIONAL CHECKLIST AND LLC FORMATION ISSUES TO CONSIDER . . . . . APP K-1**

**APPENDIX L: SINGLE MEMBER LLC AGREEMENT . . . . . APP L-1**

**APPENDIX M: COMPARISON OF STATE LLC FEES AND OTHER INFORMATION . . . . . APP M-1**

**APPENDIX N1: LEGAL OPINIONS REGARDING NEVADA LLCs. . . . . APP N1-1**

**APPENDIX N2: OPERATING AGREEMENT FOR G, A NEVADA LIMITED LIABILITY COMPANY . . . . . APP N2-1**

**APPENDIX N3: NEVADA LIMITED LIABILITY ACT . . . . . APP N3-1**

**APPENDIX O: LEGAL OPINIONS REGARDING CALIFORNIA LLCs . . . . . APP O-1**

**APPENDIX P: SPECIAL TAX CONSIDERATIONS FOR FOREIGN INVESTORS IN U.S. LLCs AND LIMITED PARTNERSHIPS . . . . . APP P-1**

**APPENDIX Q: CONVERSION AGREEMENT. . . . . APP Q-1**

**APPENDIX R1: INDEMNIFICATION AGREEMENT . . . . . APP R1-1**

**APPENDIX R2: AT-WILL EMPLOYMENT, CONFIDENTIAL INFORMATION, INVENTION ASSIGNMENT, AND ARBITRATION AGREEMENT. . . . . APP R2-1**

**APPENDIX S: LLC PURCHASE & ACQUISITION AGREEMENT (PRIVATE SHARES). . . . . APP S-1**

CONTENTS

**APPENDIX S1: LLC PURCHASE & ACQUISITION AGREEMENT (PUBLIC SHARES) . . . . . APP S1-1**

**APPENDIX T: SAMPLE LIQUIDATION VALUE SAFE HARBOR LANGUAGE . . . . . APP T-1**

**APPENDIX U1: PLEDGE AGREEMENT . . . . . APP U1-1**

**APPENDIX U2: ASSIGNMENT OF COLLATERAL . . . . . APP U2-1**

**APPENDIX V: SPECIAL PURPOSE ENTITY FORMS . . . . . APP V-1**

**APPENDIX W: SAMPLE FEE AGREEMENT . . . . . APP W-1**

**PART V  
INDICES**

Cumulative Table of Internal Revenue Code Citations . . . . . INDEX-1

Cumulative Table of Bankruptcy Code Citations . . . . . INDEX-3

Cumulative Table of Treasury Regulations . . . . . INDEX-4

Cumulative Table of Revenue Procedures and Revenue Rulings . . . . . INDEX-7

Cumulative Table of California Limited Liability Company Act Sections . . . . . INDEX-8

Cumulative Table of Nevada Limited Liability Company Act Sections . . . . . INDEX-18

Table of Cases . . . . . INDEX-21

References . . . . . INDEX-25

Private Letter Rulings . . . . . INDEX-26

Subject Index . . . . . INDEX-27

Forms Index . . . . . INDEX-35