
DIGEST

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Leger

HB No. 841

Abstract: Provides relative to limited liability companies.

Present law defines person as a natural person, corporation, partnership, limited partnership, domestic or foreign limited liability company, joint venture, trust, estate, or association for purposes of the Limited Liability Company Law.

Proposed law provides that a trust for purposes of the definition of "person" in present law shall include a common law trust, business trust, statutory trust, voting trust, or any other form of trust.

Present law provides that except as otherwise provided in the articles of organization or an operating agreement, if the limited liability company has more than one manager, each manager shall be entitled to a single vote on all matters properly brought before the managers, and all decisions of the managers shall be made by majority vote of the managers.

Proposed law adds that in the absence of such a provision in the articles or operating agreement, no manager of a limited liability company has the right to vote by proxy.

Present law provides for the voting rights of members of a limited liability company.

Proposed law adds that a member shall have the right to cast his vote either in person or, subject to the certain provisions of proposed law, by proxy duly authorized in writing, signed by the member and filed in the registered office of the limited liability company at or before the meeting.

Proposed law includes provisions relative to member voting by proxy, such as revocable and irrevocable proxy voting, challenging a proxy regular, proxy voting when voting shares are registered in the names of two or more persons, other than trustees, and transmission methods to authorize another to act as a proxy.

Proposed law permits and provides for voting trusts, including provisions relative to trust agreements, the transfer of certificates of voting shares to trustees, the execution and deliverance of voting trust certificates to transferors, trustee voting rights, and trustee requirements to maintain and keep available for holders of voting trust certificates correct and complete books and records of accounts relative to the trusts.

(Amends R.S. 12:1301(A)(18) and 1316; Adds R.S. 12:1318(E) and 1370)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Made technical changes.