## FIDUCIARY DUTIES AND LLCs

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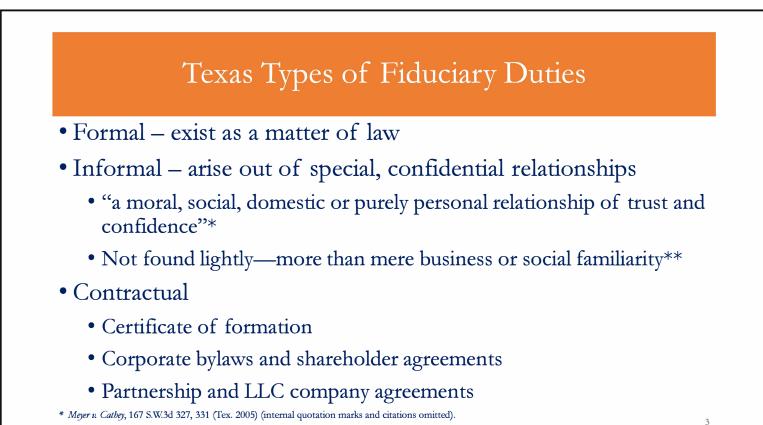
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## What Is a Fiduciary?

At common law:

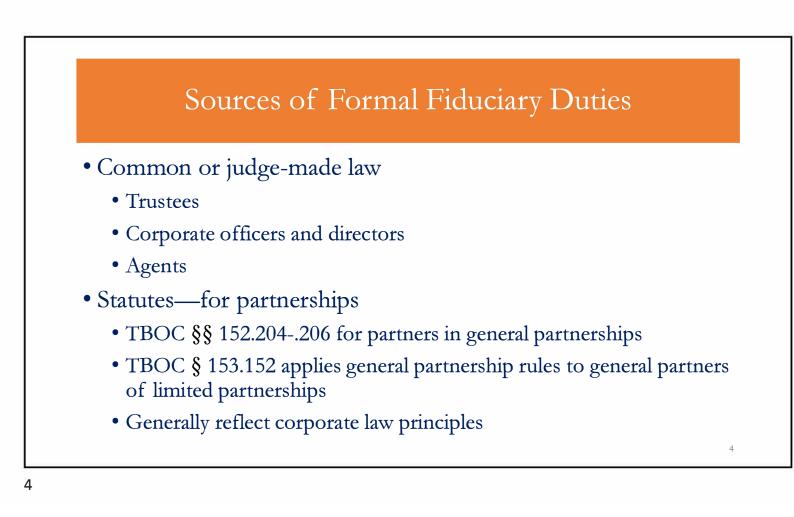
- Someone who is charged with caring for or managing the property of another
- Classic examples include
  - Trustees
  - Partners
  - Corporate officers and directors
  - Agents

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\*\* Crim Truck & Tractor Co. v. Navistar International Transportation Corp., 823 S.W.2d 591 (Tex. 1992) (not every long, cordial relationship gives rise to duties)

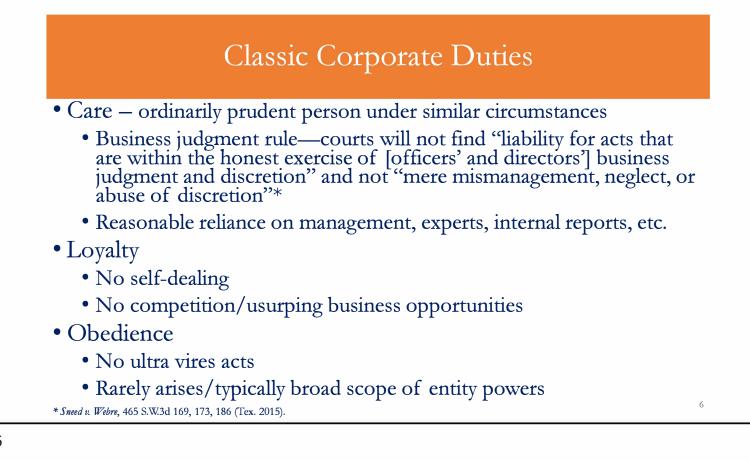
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## Where Do LLCs Fit In?

- TBOC and predecessors do not mention fiduciary duties for LLC members or managers
- Early cases analogized to corporations—or mistook LLCs for corporations!—and applied corporate principles
- Managers or members with management authority are agents of the LLC, TBOC § 101.254(a)—agents owe fiduciary duties
- TBOC permits company agreements to expand or restrict duties, TBOC § 101.401
  - Implies duties exist
  - But what are they?





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## Title search: Fiduciary Duties and LLC's

Also available as part of the eCourse <u>Fiduciary Duties and LLCs</u>

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