

## **Texas Series LLC's Pro's and Con's; Specific Applications**

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## **Series LLC**

- A Solution looking for a problem. Another tool in your “legal structure tool box” to use.
- Started in 1990's in Delaware.
- Series are sometimes referred to as “cells”.

## **Series LLC's**

Series LLC Statutes now in:

Alabama  
Delaware  
Illinois  
Indiana  
Iowa  
Kansas  
Missouri  
Montana  
Nevada  
Oklahoma  
Tennessee  
Texas  
Utah  
Washington, D.C.  
Puerto Rico

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## **Series LLC's**

1. Texas Business Organizations Code  
Sections 101.601 – 101.622
  - First Effective September, 2009. Section 101.622 added in 2013.
2. National Conference of Commissioners on Uniform State Laws expected to discuss draft of the “Limited Liability Company Protected Series Act” in early July of 2016 at its National meeting. Language of draft differs in several respects, none of which would diminish the efficacy of the Texas Series LLC Statute. Model language recommendation perhaps may occur by 2018 although there is no assurance that will happen.

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## Series LLC's (cont'd)

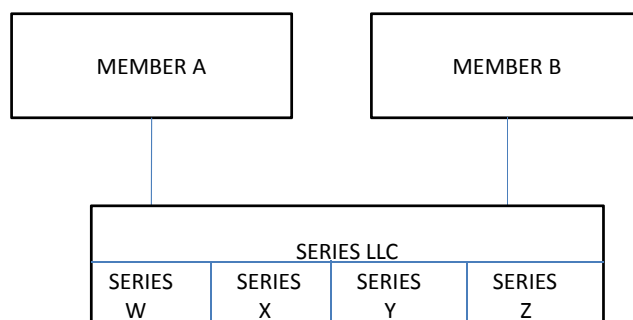
3. Nationwide acceptance of "Regular" LLC's took years and acceptance of Series LLC will take even longer.
4. Current Series LLC statutes of various states are not uniform. Some examples:
  - Texas Series LLC laws patterned after Delaware with some differences.
  - Iowa and Illinois allow for election by a Series to be treated as a separate entity.

California taxes a Series as a separate entity but has no Series LLC statute.

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## Series LLC's

Example of  
Typical Structure of  
Series LLC



TBOC Section 101.602 provides:

- Lateral Series Liability Shield
- Upward Liability Shield
- Downward Liability Shield

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## Title search: Texas Series LLCs: Pros and Cons; Specific Applications

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