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An Act To Amend the Limited Liability Company Laws Concerning Management Standards

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 31 MRSA §623, sub-§5, as enacted by PL 1993, c. 718, Pt. A, §1, is repealed.

Sec. 2. 31 MRSA §652, sub-§1, as enacted by PL 1993, c. 718, Pt. A, §1, is amended to read:

1. Good faith; best interests; reasonable belief. The managers and members of a limited liability company shall exercise their powers and discharge their duties in good faith with a view to the interests of the limited liability company and of the members and with that degree of diligence, care and skill that ordinarily prudent persons would exercise under similar circumstances in like positions.

In discharging their duties, managers and members may in all cases, if acting reasonably and in good faith, rely upon financial statements of the limited liability company that were either certified in writing by an independent or certified public accountant or firm of such accountants fairly to reflect the limited liability company's financial condition, or reported to such manager or member to be correct by the manager or member having charge of the books of accounts of the limited liability company.

A manager or member may not be held personally liable for monetary damages for failure to discharge any duty as a manager or member unless the manager or member is found not to have acted honestly or in the reasonable belief that the action was in or not opposed to the best interests of the limited liability company or its members.

Notwithstanding this section, if the articles of organization provide that management of the limited liability company vests in one or more managers, a member of the limited liability company who is not also a manager of the limited liability company owes no duties to the limited liability company or to the other members thereof solely by reason of being a member.

SUMMARY

This bill amends the Maine Limited Liability Company Act.

1. It repeals language that requires that, after dissolution of a limited liability company but before filing a certificate of cancellation, the articles of organization must be amended to reflect information about persons winding up the company's affairs and that requires such persons to file articles of amendment.

2. It provides that if the articles of organization provide that management vests in one or more managers, a member of a limited liability company who is not also a manager owes no duties to the company or to other members solely by reason of being a member.