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**HOUSE BILL NO. 1984**

Offered January 11, 2017

Prefiled January 10, 2017

A *BILL to amend and reenact §§ 13.1-1002, 13.1-1004, 13.1-1005, 13.1-1061, 13.1-1062, 13.1-1064, 13.1-1065, and 13.1-1067 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 12 of Title 13.1 an article numbered 16, consisting of sections numbered 13.1-1088 through 13.1-1099.19, relating to the Limited Liability Company Protected Series Act; establishment of protected series by a limited liability company; limits on the liability of protected series assets and members.*

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 Patron—Webert
 

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Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 13.1-1002, 13.1-1004, 13.1-1005, 13.1-1061, 13.1-1062, 13.1-1064, 13.1-1065, and 13.1-1067 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 12 of Title 13.1 an article numbered 16, consisting of sections numbered 13.1-1088 through 13.1-1099.19, as follows:**

**§ 13.1-1002. Definitions.**

As used in this chapter:

"Articles of organization" means all documents constituting, at any particular time, the articles of organization of a limited liability company. The articles of organization include the original articles of organization, the original certificate of organization issued by the Commission, and all amendments to the articles of organization. When the articles of organization have been restated pursuant to any articles of restatement, amendment, domestication, or merger, the articles of organization include only the restated articles of organization without the articles of restatement, amendment, domestication, or merger.

"Assignee" means a person to which all or part of a membership interest has been transferred, whether or not the transferor is a member.

"Bankruptcy" means, with respect to any person, being the subject of an order for relief under Title 11 of the United States Code.

"Commission" means the State Corporation Commission of Virginia.

"Contribution" means any cash, property or services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a member contributes to a limited liability company in his capacity as a member.

"Distribution" means a direct or indirect transfer of money or other property, or incurrence of indebtedness by a limited liability company, to or for the benefit of its members in respect of their interests.

"Domestic business trust" has the same meaning as specified in § 13.1-1201.

"Domestic corporation" has the same meaning as specified in § 13.1-603.

"Domestic limited partnership" has the same meaning as specified in § 50-73.1.

"Domestic nonstock corporation" has the same meaning as "domestic corporation" as specified in § 13.1-803.

"Domestic other business entity" means a partnership, limited partnership, business trust, stock corporation, or nonstock corporation that is formed, organized, or incorporated under the laws of the Commonwealth.

"Domestic partnership" means an association of two or more persons to carry on as co-owners a business for profit formed under § 50-73.88, or predecessor law of the Commonwealth, and includes, for all purposes of the laws of the Commonwealth, a registered limited liability partnership.

"Domestic stock corporation" has the same meaning as "domestic corporation" as specified in § 13.1-603.

"Electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by the recipient through an automated process. Any term used in this definition that is defined in § 59.1-480 of the Uniform Electronic Transactions Act (§ 59.1-479 et seq.) shall have the meaning set forth in that section.

"Eligible interests" means, as to a partnership, partnership interest as specified in § 50-73.79; as to a limited partnership, partnership interest as specified in § 50-73.1; as to a business trust, the beneficial

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59 interest of a beneficial owner as specified in § 13.1-1226; as to a stock corporation, shares as specified  
60 in § 13.1-603; or, as to a nonstock corporation, membership interest as specified in § 13.1-803.

61 "Foreign business trust" has the same meaning as specified in § 13.1-1201.

62 "Foreign corporation" has the same meaning as specified in § 13.1-603.

63 "Foreign limited liability company" means an entity, excluding a foreign business trust, that is an  
64 unincorporated organization that is organized under laws other than the laws of the Commonwealth and  
65 that is denominated by that law as a limited liability company, and that affords to each of its members,  
66 pursuant to the laws under which it is organized, limited liability with respect to the liabilities of the  
67 entity.

68 "Foreign limited partnership" has the same meaning as specified in § 50-73.1.

69 "Foreign nonstock corporation" has the same meaning as "foreign corporation" as specified in  
70 § 13.1-803.

71 "Foreign other business entity" means a partnership, limited partnership, business trust, stock  
72 corporation, or nonstock corporation that is formed, organized, or incorporated under the laws of a state  
73 or jurisdiction other than the Commonwealth.

74 "Foreign partnership" means an association of two or more persons to carry on as co-owners a  
75 business for profit formed under the laws of any state or jurisdiction other than the Commonwealth, and  
76 includes, for all purposes of the laws of the Commonwealth, a foreign registered limited liability  
77 partnership.

78 "Foreign registered limited liability partnership" has the same meanings as specified in §§ 50-2 and  
79 50-73.79.

80 "Foreign stock corporation" has the same meaning as "foreign corporation" as specified in  
81 § 13.1-603.

82 "*Jurisdiction*," when used to refer to a political entity, means the United States, a state, a foreign  
83 country, or a political subdivision of a foreign country.

84 "*Jurisdiction of formation*" means the jurisdiction whose law governs the internal affairs of an entity.

85 "Limited liability company" or "domestic limited liability company" means an entity that is an  
86 unincorporated organization organized and existing under this chapter, or that has become a domestic  
87 limited liability company of the Commonwealth pursuant to § 13.1-1010.3 as it existed prior to its  
88 repeal, even though also being a non-United States entity organized under laws other than the laws of  
89 the Commonwealth, or that has become a domestic limited liability company of the Commonwealth  
90 pursuant to § 56-1, even though also being a non-United States entity organized under laws other than  
91 the laws of the Commonwealth, or that has become a domestic limited liability company of the  
92 Commonwealth pursuant to § 13.1-1010.1 as it existed prior to its repeal, or that has become a domestic  
93 limited liability company of the Commonwealth pursuant to Article 12.2 (§ 13.1-722.8 et seq.) of  
94 Chapter 9, Article 17.1 (§ 13.1-944.1 et seq.) of Chapter 10, Article 14 (§ 13.1-1074 et seq.) or Article  
95 15 (§ 13.1-1081 et seq.) of this chapter, or Article 12 (§ 13.1-1264 et seq.) of Chapter 14. A limited  
96 liability company's status for federal tax purposes shall not affect its status as a distinct entity organized  
97 and existing under this chapter.

98 "Manager" or "managers" means a person or persons designated by the members of a limited liability  
99 company to manage the limited liability company as provided in the articles of organization or an  
100 operating agreement.

101 "Manager-managed limited liability company" means a limited liability company that is managed by  
102 a manager or managers as provided for in its articles of organization or an operating agreement.

103 "Member" means a person that has been admitted to membership in a limited liability company as  
104 provided in § 13.1-1038.1 and that has not ceased to be a member.

105 "Member-managed limited liability company" means a limited liability company that is not a  
106 manager-managed limited liability company.

107 "Membership interest" or "interest" means a member's share of the profits and the losses of the  
108 limited liability company and the right to receive distributions of the limited liability company's assets.

109 "Non-United States entity" means a foreign limited liability company (other than one formed under  
110 the laws of a state), or a corporation, business trust or association, real estate investment trust,  
111 common-law trust, or any other unincorporated business, including a partnership, formed, incorporated,  
112 organized, created or that otherwise came into being under the laws of any foreign country or other  
113 foreign jurisdiction (other than any state).

114 "Operating agreement" means an agreement of the members as to the affairs of a limited liability  
115 company and the conduct of its business, or a writing or agreement of a limited liability company with  
116 one member that satisfies the requirements of subdivision A 2 of § 13.1-1023.

117 "Person" has the same meaning as specified in § 13.1-603 and includes a protected series.

118 "Principal office" means the office, in or out of the Commonwealth, where the principal executive  
119 offices of a domestic or foreign limited liability company are located or, if there are no such offices, the  
120 office, in or out of the Commonwealth, so designated by the limited liability company. The designation

of the principal office in the most recent statement of change filed pursuant to § 13.1-1018.1 shall be conclusive for the purpose of this chapter.

*"Property" means all property, whether real, personal, or mixed or tangible or intangible, or any right or interest therein.*

*"Protected series," except in the term "foreign protected series," means a person established under § 13.1-1095.*

*"Record," when used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.*

*"Sign" means, with present intent to authenticate or adopt a record, to execute or adopt a tangible symbol or to attach to or logically associate with the record an electronic symbol, sound, or process.*

*"State," when referring to a part of the United States, includes a state, commonwealth and the District of Columbia, and their agencies and governmental subdivisions; and a territory or insular possession, and their agencies and governmental subdivisions, of the United States.*

*"Transfer" includes an assignment, a conveyance, a sale, a lease, an encumbrance including a mortgage or security interest, a gift, and a transfer by operation of law.*

*"United States" includes a district, authority, bureau, commission, department, and any other agency of the United States.*

**§ 13.1-1004. Issuance of certificate by Commission; recordation of documents.**

A. Whenever this chapter conditions the effectiveness of a document upon the issuance of a certificate by the Commission to evidence the effectiveness of the document, the Commission shall by order issue the certificate if it finds that the document complies with the provisions of this chapter and that all required fees have been paid. The Commission shall admit any such certificate to record in its office.

B. The existence of a limited liability company *or a protected series* shall begin at the time the Commission issues a certificate of organization *or certificate of organization of a protected series* unless a later date and time are specified as provided by subsection D ~~of this section~~. The certificate of organization shall be conclusive evidence that all conditions precedent required to be performed by the person(s) forming the limited liability company have been complied with and that the limited liability company has been formed under this chapter.

C. Whenever the Commission is directed to admit any document to record in its office, it shall cause it to be spread upon its record books or to be recorded or reproduced in any other manner the Commission may deem suitable. Except as otherwise provided by law, the Commission may furnish information from and provide access to any of its records by any means the Commission may deem suitable.

D. 1. A certificate issued by the Commission is effective at the time such certificate is issued, unless the certificate relates to articles filed with the Commission and the articles state that the certificate shall become effective at a later time and date specified in the articles. In that event, the certificate shall become effective at the earlier of the time and date so specified or 11:59 p.m. on the fifteenth day after the date on which the certificate is issued by the Commission. Any other document filed with the Commission shall be effective when accepted for filing unless otherwise provided for in this chapter.

2. Notwithstanding subdivision 1 ~~of this subsection~~, any certificate that has a delayed effective time and date shall not become effective if, prior to the effective time and date, the parties to the articles to which the certificate relates file a request for cancellation with the Commission, and the Commission, by order, cancels the certificate.

3. Notwithstanding subdivision 1 ~~of this subsection~~, for purposes of §§ 13.1-1012 and 13.1-1054, any certificate that has a delayed effective date shall be deemed to be effective when the certificate is issued.

E. Notwithstanding any other provision of law to the contrary, the Commission shall have the power to act upon a petition filed by a limited liability company at any time to correct Commission records so as to eliminate the effects of clerical errors and of filings made by a person without authority to act for the limited liability company.

**§ 13.1-1005. Fees.**

The Commission shall charge and collect the following fees:

1. For filing any one of the following, the fee shall be \$100:

a. Articles of organization.

b. An application for registration as a foreign limited liability company.

c. Articles of entity conversion to convert a domestic corporation to a limited liability company.

d. Articles of domestication.

e. *A statement of protected series designation or a statement of designation change pursuant to § 13.1-1095.*

2. For filing any one of the following, the fee shall be \$25:

a. Articles of amendment.

b. Articles of cancellation.

c. Articles of correction referred to in § 13.1-1011.1, a copy of an amendment or correction referred to in § 13.1-1055, or an amended application for registration referred to in § 13.1-1055, provided that an amended application shall not require a separate fee when it is filed with a copy of an amendment or a correction referred to in § 13.1-1055.

d. A copy of an instrument of merger of a foreign limited liability company referred to in § 13.1-1060.

e. Articles of merger.

f. A copy of an instrument of entity conversion of a foreign limited liability company holding a certificate of registration to transact business in the Commonwealth.

g. Articles of restatement.

h. Articles of organization surrender.

i. An application for a certificate of cancellation of a foreign limited liability company.

j. *A statement of designation change pursuant to § 13.1-1095.*

k. *A statement of designation cancellation.*

3. For filing any one of the following, the fee shall be \$10:

a. An application to reserve or to renew the reservation of a name for use by a domestic or foreign limited liability company.

b. A notice of the transfer of a name reserved for use by a domestic or a foreign limited liability company.

4. For issuing a certificate pursuant to § 13.1-1067 or 13.1-1099, \$6 for each certificate.

**§ 13.1-1061. Annual registration fees to be assessed and collected by Commission; application of payment.**

The Commission shall assess and collect the annual registration fees imposed by this chapter. When the Commission receives payment of a registration fee assessed against a domestic or foreign limited liability company, *or any protected series thereof*, such payment shall be applied against any unpaid registration fees previously assessed against such limited liability company *or protected series*, including any penalties incurred thereon, beginning with the assessment that has remained unpaid for the longest period of time.

**§ 13.1-1062. Assessment of annual registration fees; annual registration fees to be paid by domestic and foreign limited liability companies.**

A. Each domestic limited liability company ~~and~~, *each protected series*, each foreign limited liability company registered to transact business in the Commonwealth, *and each foreign protected series registered to transact business in the Commonwealth* shall pay into the state treasury on or before the last day of the twelfth month next succeeding the month in which it was organized or registered to transact business in the Commonwealth, and by such date in each year thereafter, an annual registration fee of \$50, provided that the initial annual registration fee to be paid by a domestic limited liability company created by entity conversion shall be due in the year after the calendar year in which it converted.

The annual registration fee shall be imposed irrespective of any specific license tax or other tax or fee imposed by law upon the *domestic or foreign* limited liability company *or any protected series thereof* for the privilege of carrying on its business in the Commonwealth or upon its franchise, property or receipts.

B. Each year, the Commission shall ascertain from its records each domestic limited liability company ~~and~~, *each protected series*, each foreign limited liability company registered to transact business in the Commonwealth, *and each foreign protected series registered to transact business in the Commonwealth*, as of the first day of the second month next preceding the month in which it was organized or registered to transact business in the Commonwealth, and, except as provided in subsection A, shall assess against each such limited liability company the annual registration fee herein imposed.

C. At the discretion of the Commission, the annual registration fee due date for a limited liability company may be extended, on a monthly basis for a period of not less than one month nor more than 11 months, at the request of its registered agent of record or as may be necessary to distribute annual registration fee due dates of limited liability companies as equally as practicable throughout the year on a monthly basis.

D. A statement of the assessment, when made, shall be forwarded by the clerk of the Commission to the Comptroller and to each domestic and foreign limited liability company *and each protected series thereof*.

E. Any domestic limited liability company that has ceased to exist in the Commonwealth because of the issuance of a certificate of cancellation of existence, certificate of organization surrender, or certificate of entity conversion, ~~or any protected series that has been canceled~~, any foreign limited liability company that has obtained a certificate of cancellation, *or any foreign protected series that has obtained a certificate of cancellation*, effective on or before its annual registration fee due date pursuant

to subsection A in any year, shall not be required to pay the annual registration fee for that year. Any domestic or foreign limited liability company that has merged, effective on or before its annual registration fee due date pursuant to subsection A in any year, into a surviving domestic or foreign corporation, limited liability company, business trust, limited partnership, or partnership that files with the Commission an authenticated copy of the instrument of merger on or before such date, shall not be required to pay the annual registration fee for that year. Any foreign limited liability company that has converted, effective on or before its annual registration fee due date pursuant to subsection A in any year, to a different entity type that files with the Commission an authenticated copy of the instrument of entity conversion on or before such date, shall not be required to pay the annual registration fee for that year. The Commission shall cancel the annual registration fee assessments specified in this subsection that remain unpaid.

F. Registration fee assessments that have been paid shall not be refunded.

G. The fees paid into the state treasury under this section and the fees collected under § 13.1-1005 shall be set aside and paid into the special fund created under § 13.1-775.1, and shall be used only by the Commission as it deems necessary to defray the costs of the Commission and of the office of the clerk of the Commission in supervising, implementing, administering and enforcing the provisions of this chapter. The projected excess of fees collected over the costs of administration and enforcement so incurred shall be paid into the general fund prior to the close of each fiscal year, based on the unexpended balance of the special fund at the end of the prior fiscal year. An adjustment of this transfer amount to reflect actual fees collected shall occur during the first quarter of the succeeding fiscal year.

**§ 13.1-1064. Penalty for failure to timely pay annual registration fees.**

A. Any domestic or foreign limited liability company, *or any protected series thereof*, that fails to pay the annual registration fee into the state treasury within the time prescribed in § 13.1-1062 shall incur a penalty of \$25, which shall be added to the amount of the annual registration fee due. The penalty prescribed herein shall be in addition to any other penalty or liability imposed by law.

B. The Commission shall mail to each domestic and foreign limited liability company that fails to pay the annual registration fee within the time prescribed in § 13.1-1062 a notice of assessment of the penalty imposed herein and of the impending cancellation of its existence or certificate of registration, as the case may be.

C. *The Commission shall mail to each protected series and each foreign protected series registered to transact business in the Commonwealth that fails to pay the annual registration fee within the time prescribed in § 13.1-1062 a notice of assessment of the penalty imposed herein and of its impending cancellation or the impending cancellation of its certificate of registration, as the case may be.*

**§ 13.1-1065. Payment of fees, fines, penalties, and interest prerequisite to Commission action; refunds.**

A. The Commission shall not file or issue with respect to any domestic or foreign limited liability company any document or certificate specified in this chapter, except a statement of change pursuant to § 13.1-1016, a statement of resignation pursuant to § 13.1-1017, and a statement of change pursuant to § 13.1-1018.1, until all fees, fines, penalties, and interest assessed, imposed, charged, or to be collected by the Commission pursuant to this chapter or Title 12.1 have been paid by or on behalf of such limited liability company. Notwithstanding the foregoing, the Commission may file or issue any document or certificate with respect to a domestic or foreign limited liability company that has been assessed an annual registration fee if the document or certificate is filed or issued with an effective date that is on or before the due date of the limited liability company's annual registration fee payment in any year, provided that the Commission shall not issue a certificate of domestication with respect to a foreign limited liability company until the annual registration fee has been paid by or on behalf of that limited liability company.

B. *The Commission shall not file or issue with respect to any protected series or foreign protected series any document or certificate specified in this chapter until all fees, fines, penalties, and interest assessed, imposed, charged, or to be collected by the Commission pursuant to this chapter or Title 12.1 have been paid by or on behalf of such protected series. Notwithstanding the foregoing, the Commission may file or issue any document or certificate with respect to a protected series or foreign protected series that has been assessed an annual registration fee if the document or certificate is filed or issued with an effective date that is on or before the due date of the protected series' annual registration fee payment in any year.*

C. The Commission shall have authority to certify to the Comptroller directing refund of any overpayment of a fee, or of any fee collected for a document that is not accepted for filing, at any time within one year from the date of its payment.

**§ 13.1-1067. Property title records.**

A. Whenever the records in the office of the clerk of the Commission reflect that a domestic or foreign limited liability company, *or any protected series thereof*, has changed or corrected its name,

merged into a domestic or foreign limited liability company, corporation, business trust, limited partnership or partnership, converted into a domestic or foreign corporation, business trust, limited partnership or partnership, or domesticated in or from another jurisdiction, the clerk of the Commission, upon request, shall issue a certificate reciting such change, correction, merger, conversion or domestication. The certificate may be admitted to record in the deed books, in accordance with § 17.1-227, of any court's office within the jurisdiction of which any property of the limited liability company is located in order to maintain the continuity of title records. The person filing the certificate shall pay a fee of \$10 to the clerk of the court, but no tax shall be due thereon.

B. Whenever a foreign limited liability company or *foreign protected series* has changed or corrected its name, merged into another business entity, converted into another type of business entity, or domesticated in another jurisdiction, and it cannot or chooses not to obtain a certificate reciting such change, correction, merger, conversion or domestication from the clerk of the Commission pursuant to subsection A, a similar certificate by any competent authority of the foreign limited liability company's or *foreign protected series'* jurisdiction of organization may be admitted to record in the deed books, in accordance with § 17.1-227, of any recording office within the jurisdiction of which any property of the limited liability company is located in order to maintain the continuity of title records. The person filing the certificate shall pay a fee of \$10 to the clerk of the court, but no tax shall be due thereon.

#### Article 16.

#### Limited Liability Company Protected Series Act.

#### § 13.1-1088. Definitions.

As used in this article, unless the context requires a different meaning:

"Asset" means property:

1. In which a series limited liability company or protected series has rights; or

2. As to which the series limited liability company or protected series has the power to transfer rights.

"Associated asset" means an asset that meets the requirements stated in § 13.1-1099.2.

"Associated member" means, with respect to a protected series, a member that meets the requirements stated in § 13.1-1099.3.

"Foreign protected series" means a protected series established by a foreign limited liability company and having attributes comparable to a protected series established under this article. The term applies whether or not the law under which the foreign limited liability company is organized refers to "protected series" or "series."

"Foreign series limited liability company" means a foreign limited liability company having at least one foreign protected series.

"Non-associated asset" means an asset of a series limited liability company or protected series of the series limited liability company that is not an associated asset of the series limited liability company or protected series.

"Protected series assignee" means a person to which all or part of a protected series membership interest has been transferred. "Protected series assignee" includes a person that owns a protected series membership interest as a result of ceasing to be an associated member of a protected series.

"Protected series manager" means a person under whose authority the powers of a protected series are exercised and under whose direction the activities and affairs of the protected series are managed pursuant to the operating agreement or this article.

"Protected series membership interest" means the share of the profits and losses of a protected series and the right to receive distributions.

"Series limited liability company," except in the term "foreign series limited liability company," means a limited liability company having at least one protected series.

#### § 13.1-1089. Nature of protected series.

A protected series of a series limited liability company is a person distinct from:

1. The series limited liability company, subject to subdivision C 1 of § 13.1-1090, subdivision 1 of § 13.1-1099.10, subsection C of § 13.1-1099.11, and § 13.1-1099.12;

2. Another protected series of the series limited liability company;

3. A member of the series limited liability company, whether or not the member is an associated member of the protected series;

4. A protected series assignee of any protected series of the series limited liability company; and

5. An assignee of a membership interest of the series limited liability company.

#### § 13.1-1090. Powers and duration of protected series.

A. A protected series has the capacity to sue and be sued in its own name.

B. Except as otherwise provided in subsection C, a protected series has the same powers that a limited liability company has under § 13.1-1009.

C. A protected series of a series limited liability company shall not:

1. Continue to exist after the series limited liability company that established the protected series has

completed its winding up;

2. Be a member of the series limited liability company;

3. Establish a protected series;

4. Be a party to or established as a result of a merger, interest exchange, conversion, domestication, or comparable transaction; or

5. Except as permitted by law of the Commonwealth, do anything or have any purpose that the law of the Commonwealth prohibits a limited liability company from doing or having.

**§ 13.1-1091. Governing law.**

The law of the Commonwealth governs:

1. The internal affairs of a protected series;

2. The relations between a protected series and each of the following:

a. The series limited liability company that established the protected series;

b. Another protected series of the series limited liability company;

c. A member that is not an associated member of the protected series;

d. A protected series manager that is not a protected series manager of the protected series; and

e. A protected series assignee that is not a protected series assignee of the protected series;

3. The liability of a person for a debt, obligation, or other liability of a protected series if the debt, obligation, or other liability is asserted solely by reason of the person being or acting as:

a. An associated member, protected series assignee, or protected series manager of the protected series;

b. A member of the limited liability company that established the protected series that is not an associated member of the protected series;

c. A protected series manager that is not a protected series manager of the protected series;

d. A protected series assignee that is not a protected series assignee of the protected series;

e. A person managing the series limited liability company; or

f. An assignee of a membership interest of the series limited liability company;

4. The liability of a series limited liability company for a debt, obligation, or other liability of a protected series established by the series limited liability company if the debt, obligation, or other liability is asserted solely by reason of the series limited liability company:

a. Having established the protected series;

b. Being or acting as a protected series manager of the protected series;

c. Having the protected series be or act as person managing the series limited liability company; or

d. Owning a protected series membership interest of the protected series; and

5. The liability of a protected series for a debt, obligation, or other liability of the series limited liability company that established the protected series or for a debt, obligation, or other liability of another protected series of the series limited liability company if the debt, obligation, or other liability is asserted solely by reason of:

a. The protected series:

(1) Being a protected series of the series limited liability company or having as a protected series manager the series limited liability company or another protected series of the series limited liability company; or

(2) Being or acting as a protected series manager of another protected series of the series limited liability company or as a person managing the series limited liability company; or

b. The series limited liability company owning a protected series membership interest of the protected series.

**§ 13.1-1092. Relation of operating agreement, this article, and the other articles of this chapter.**

A. Except as otherwise provided in this section and subject to § 13.1-1093, the operating agreement of a series limited liability company governs:

1. The internal affairs of a protected series;

2. Relations among the protected series, the series limited liability company, and any other protected series of the series limited liability company; and

3. Relations between the protected series, its protected series manager, any associated member of the protected series, or any protected series assignee of the protected series and another person in the other person's capacity as:

a. A member of the series limited liability company that is not an associated member of the protected series;

b. A protected series assignee or protected series manager of another protected series; or

c. An assignee of the series limited liability company.

B. If the provisions of this chapter other than in this article restrict the power of an operating agreement in any way, the restriction applies to a matter under this article according to the rules stated in § 13.1-1094.

428 C. If the law of the Commonwealth other than this article contains a prohibition, limitation,  
429 requirement, condition, or other constraint pertaining to a limited liability company, the constraint  
430 applies according to the rules stated in § 13.1-1094.

431 D. If the operating agreement of a series limited liability company does not provide for a matter  
432 described in subsection A, the provisions of this article, other than § 13.1-1094, govern the matter.

433 E. If neither the operating agreement nor the provisions of this article other than § 13.1-1094  
434 provide for a matter described in subsection A, the provisions of this chapter other than in this article  
435 govern the matter according to the rules stated in § 13.1-1094.

436 F. Subsection E does not apply if its application would vary the effect of § 13.1-1093.

437 **§ 13.1-1093. Additional limitations on operating agreement.**

438 An operating agreement shall not vary:

439 1. This section;

440 2. The nature of a protected series as stated in § 13.1-1089;

441 3. The capacity of a protected series under subsection A of § 13.1-1090 to sue and be sued in its  
442 own name;

443 4. Subsection B of § 13.1-1090 if the effect is to provide a protected series a power in addition to  
444 the powers provided to a limited liability company under the other articles of this chapter;

445 5. The limitations stated in subsection C of § 13.1-1090 on the powers of a protected series;

446 6. The law applicable under § 13.1-1091;

447 7. Section 13.1-1092;

448 8. The rules stated in § 13.1-1094, except as they apply under subsection E of § 13.1-1092;

449 9. The requirements and procedures under § 13.1-1095 for establishing a protected series, except  
450 that the operating agreement may vary the manner in which a limited liability company authorizes  
451 establishing a protected series;

452 10. The requirements in § 13.1-1096 for the name of a protected series;

453 11. The requirements and procedures in § 13.1-1099.2 for making an asset an associated asset;

454 12. The requirements under § 13.1-1099.3 that:

455 a. A person be a member of a series limited liability company to be an associated member of a  
456 protected series of the series limited liability company; and

457 b. A person's dissociation as a member simultaneously causes the person to cease to be an  
458 associated member of any protected series of the series limited liability company;

459 13. The requirement under subsection A of § 13.1-1099.4 that a protected series membership interest  
460 shall be owned initially by an associated member of the protected series or the series limited liability  
461 company that established the protected series;

462 14. The principles identified in subsection C of § 13.1-1099.7 as governing claims to disregard a  
463 limitation of liability stated in subsection A of § 13.1-1099.7;

464 15. The procedures and requirements under § 13.1-1099.8 to enforce claims against non-associated  
465 assets;

466 16. The rights under § 13.1-1099.9 of a judgment creditor;

467 17. The circumstances stated in subdivision 1 or 4 of § 13.1-1099.10 as causing dissolution of a  
468 protected series;

469 18. Section 13.1-1099.11, pertaining to winding up of a dissolved protected series, except to  
470 designate a different person to manage winding up;

471 19. Sections 13.1-1099.13 through 13.1-1099.17;

472 20. Sections 13.1-1099.18 and 13.1-1099.19;

473 21. A provision of this article pertaining to:

474 a. Registered agents and registered offices; or

475 b. The Commission, including provisions pertaining to records authorized or required to be delivered  
476 to the Commission for filing under this article; or

477 22. The rights under this article of a person other than a series limited liability company, a  
478 protected series, a protected series manager, or a member, whether or not an associated member of a  
479 protected series, to the prejudice of the person, except to the extent that the other articles of this  
480 chapter permit the operating agreement to vary the rights of a person not a member or manager of a  
481 limited liability company.

482 **§ 13.1-1094. Rules applicable when applying other articles of this chapter.**

483 A. Subject to subsection B and for the purposes of applying subsections B, C, and E of § 13.1-1092,  
484 subdivision 4 a of § 13.1-1099.10, subsection A of § 13.1-1099.11, and subdivision 2 of § 13.1-1099.12  
485 the following rules apply:

486 1. A protected series of a series limited liability company is deemed to be a limited liability  
487 company, organized separately from the series limited liability company that established the protected  
488 series and distinct from the series limited liability company and any other protected series of the series  
489 limited liability company;



2. Any associated member of the protected series is deemed to be a member of the series limited liability company deemed to exist under subdivision 1;

3. Any protected series assignee of the protected series is deemed to be an assignee of the series limited liability company deemed to exist under subdivision 1;

4. Any protected series membership interest of the protected series is deemed to be a membership interest of the series limited liability company deemed to exist under subdivision 1;

5. A series manager of the protected series is deemed to be a person managing the series limited liability company deemed to exist under subdivision 1;

6. Any asset of the protected series is deemed to be an asset of the series limited liability company deemed to exist under subdivision 1, whether or not the asset is an associated asset of the protected series; and

7. Any creditor or other obligee of the protected series is deemed to be a creditor or obligee of the series limited liability company deemed to exist under subdivision 1.

B. Subsection A does not apply if its application would:

1. Vary § 13.1-1023, subsection B or C of § 13.1-1092, or § 13.1-1093; or

2. Require the Commission to:

a. Accept for filing a type of record that this chapter expressly does not authorize or require a person to deliver to the Commission for filing; or

b. Make or deliver a record that this chapter expressly does not authorize or require the Commission to make or deliver.

**§ 13.1-1095. Protected series designation; amendment of designation; amendment to certificate of designation.**

A. With the affirmative vote or consent of all members of a limited liability company, the limited liability company may establish a protected series.

B. To establish a protected series, a limited liability company shall deliver to the Commission for filing a statement of protected series designation, signed in the name of the limited liability company, stating the name of the limited liability company in accordance with subsection F of § 13.1-1003 and the name of the protected series to be established. A limited liability company is not authorized to establish a protected series unless the limited liability company is authorized to transact business in the Commonwealth.

C. A protected series of a domestic limited liability company is deemed to be organized or formed when the statement of protected series designation is filed with the Commission. A protected series is established upon the issuance by the Commission of a certificate of protected series designation evidencing the effectiveness of the protected series designation, which certificate shall be effective as provided in subsection D of § 13.1-1004.

D. A series limited liability company may amend a protected series designation by delivering to the Commission for filing a statement of designation change that changes the name of the protected series to which the designation applies. The change takes effect when the Commission issues a certificate of designation change evidencing the effectiveness of the statement of designation change, which certificate shall be effective as provided in subsection D of § 13.1-1004.

**§ 13.1-1096. Name.**

A. Except as otherwise provided in subsection B, the name of a protected series shall comply with the provisions of § 13.1-1012.

B. The name of a protected series of a series limited liability company shall:

1. Begin with the name of the series limited liability company, including any word or abbreviation required by subsection A of § 13.1-1012 to designate that the series limited liability company is a limited liability company; and

2. Contain the phrase "Protected Series" or "protected series" or the abbreviation "P.S." or "PS."

C. If a series limited liability company changes its name, the series limited liability company shall deliver to the Commission for filing a statement of designation change for each of the series limited liability company's protected series, changing the name of each protected series to comply with this section.

**§ 13.1-1097. Registered office and registered agent.**

A. The registered office and registered agent in the Commonwealth for a series limited liability company is the registered office and registered agent in the Commonwealth for each protected series of the series limited liability company.

B. Before delivering a statement of protected series designation to the Commission for filing, a limited liability company shall establish a registered office in the Commonwealth and designate a registered agent who complies with the requirements of subdivision A 2 of § 13.1-1015 to serve as the registered agent in the Commonwealth for both the series limited liability company and the protected series.

551 C. A person that signs a statement of protected series designation delivered to the Commission for  
552 filing affirms as a fact that the limited liability company on whose behalf the designation is delivered  
553 has complied with subsection B.

554 D. A person that ceases to be the registered agent for a series limited liability company ceases to be  
555 the registered agent for each protected series of the series limited liability company.

556 E. A person that ceases to be the registered agent for a protected series of a series limited liability  
557 company, other than a protected series that has completed winding up, ceases to be the registered agent  
558 of the series limited liability company and of any other protected series of the series limited liability  
559 company.

560 F. Except as otherwise agreed by a series limited liability company and its registered agent, the  
561 agent is not obligated to distinguish between a process, notice, demand, or other record concerning the  
562 series limited liability company and a process, notice, demand, or other record concerning a protected  
563 series of the series limited liability company.

564 **§ 13.1-1098. Service of process, notice, demand, or other record.**

565 A. A protected series may be served with any process, notice, demand, or other record required or  
566 permitted by law by:

567 1. Serving the series limited liability company that established the protected series;

568 2. Serving the registered agent of the protected series; or

569 3. Other means authorized by any law of the Commonwealth other than as specified in this article.

570 B. Service of process, notice, or demand on a series limited liability company or foreign series  
571 limited liability company is notice to each protected series of the series limited liability company or  
572 foreign protected series of the foreign series limited liability company of service of the process, notice,  
573 or demand and the contents thereof. Service of process, notice, or demand on a protected series of a  
574 series limited liability company or foreign protected series of a foreign series limited liability company  
575 is notice to the series limited liability company and any other protected series of the series limited  
576 liability company, or the foreign series limited liability company and any other foreign protected series  
577 of the foreign series limited liability company, of service of the process, notice, or demand and the  
578 contents thereof.

579 C. Notice under subsection B is effective against a person whether or not the process, notice, or  
580 demand identifies the person if the process, notice, or demand names as a party and identifies:

581 1. The series limited liability company or a protected series of the series limited liability company;  
582 or

583 2. The foreign series limited liability company or a foreign protected series of the foreign series  
584 limited liability company.

585 **§ 13.1-1099. Certificate of fact of existence for protected series.**

586 A. On request of any person, the Commission shall issue a certificate of fact of existence for a  
587 protected series. The certificate shall state:

588 1. The name of the protected series and the name of the series limited liability company that  
589 established the protected series;

590 2. That a certificate of protected series designation pertaining to the protected series has been issued  
591 and is in effect;

592 3. The effective date of the certificate of protected series designation;

593 4. If any certificate of designation change pertaining to the protected series has been issued, the  
594 effective date of the certificate and contents of the related statement;

595 5. That no statement of designation cancellation of the protected series has been filed;

596 6. That all fees and penalties owed to the Commonwealth by the protected series and to be collected  
597 by the Commission have been paid, if:

598 a. Payment is reflected in the records of the Commission; and

599 b. Nonpayment affects the existence of the protected series;

600 7. That the most recent annual registration fees required by Article 11 (§ 13.1-1061 et seq.) for the  
601 series limited liability company and the protected series have been collected by the Commission; and

602 8. Other facts reflected in the records of the Commission pertaining to the protected series that the  
603 person requesting the certificate reasonably requests.

604 B. Subject to any qualification stated in the certificate, a certificate issued by the Commission under  
605 subsection A may be relied on as conclusive evidence of the facts stated in the certificate.

606 **§ 13.1-1099.1. Annual registration fees.**

607 The Commission shall assess and collect from each domestic and foreign series limited liability  
608 company protected series and foreign protected series established by each such series limited liability  
609 company annual registration fees in accordance with Article 11 (§ 13.1-1061 et seq.). The provisions of  
610 Article 11 shall apply to each series limited liability company, foreign series limited liability company,  
611 protected series, and foreign protected series, as appropriate.

612 **§ 13.1-1099.2. Associated assets.**

A. Only an asset of a protected series may be an associated asset of the protected series. Only an asset of a series limited liability company may be an associated asset of the series limited liability company.

B. An asset of a protected series is an associated asset of the protected series only if the protected series creates and maintains records that state the name of the protected series and describe the asset with sufficient specificity to permit a disinterested, reasonable individual to:

1. Identify the asset and distinguish it from any other assets of the protected series, any assets of the series limited liability company, and any assets of any other protected series of the series limited liability company;

2. Determine when and from what person the protected series acquired the asset; and

3. If the protected series acquired the asset from the series limited liability company or another protected series of the series limited liability company, determine any consideration paid, the payer, and the payee.

C. An asset of a series limited liability company is an associated asset of the series limited liability company only if the series limited liability company creates and maintains records that state the name of the series limited liability company and describe the asset with sufficient specificity to permit a disinterested, reasonable individual to:

1. Identify the asset and distinguish it from any other assets of the series limited liability company and any assets of any protected series of the series limited liability company; and

2. Determine when and from what person the series limited liability company acquired the asset; and

3. If the series limited liability company acquired the asset from a protected series of the series limited liability company, determine any consideration paid, the payer, and the payee.

D. The records and recordkeeping required by subsections B and C may be organized in any reasonable fashion, including by specific listing, category, type, quantity, computational, or allocational formula or procedure, including a percentage or share of any asset or assets.

E. To the extent permitted by law of the Commonwealth other than this article and subject to subsections A, B, and C, a series limited liability company or a protected series of the series limited liability company may hold an associated asset directly or indirectly, through a representative, nominee, or similar arrangement.

**§ 13.1-1099.3. Membership required to be associated member; operating agreement to specify associated member.**

A. Only a member of a series limited liability company may be an associated member of a protected series of the series limited liability company. If a person is dissociated from a series limited liability company, the person immediately ceases to be an associated member of any protected series of the series limited liability company.

B. A member of a series limited liability company becomes an associated member of a protected series of the series limited liability company when the operating agreement or a procedure established by the agreement:

1. Identifies the member by name as an associated member of the protected series; and

2. States what, if any, protected series membership interest the associated member has in connection with becoming or being an associated member.

**§ 13.1-1099.4. Protected series membership interests.**

A. A protected series membership interest of a protected series shall be owned initially by an associated member of the protected series or the series limited liability company that established the protected series.

B. If a protected series has no associated members when established, the series limited liability company owns the protected series membership interests in the protected series.

C. A series limited liability company may acquire a series membership interest through a transfer from another person or as provided in the operating agreement.

**§ 13.1-1099.5. Management.**

A. A protected series manager in that capacity owes duties only to the protected series and any associated members of the protected series. A protected series may have simultaneously more than one protected series manager.

B. Whenever a protected series has no associated members, the series limited liability company is the protected series manager.

C. An associated member of a protected series is an agent for the protected series with statutory power to bind the protected series to the same extent, if any, that a member of a limited liability company is by statute an agent for the limited liability company with statutory power to bind the limited liability company.

D. An associated member of a protected series of a series limited liability company has the same rights as any other member of the series limited liability company to vote on or consent to an

674 amendment to the series limited liability company's operating agreement or on any other matter being  
675 decided, whether or not the amendment or other matter affects the interests of the protected series or  
676 the associated member.

677 **§ 13.1-1099.6. Right of person not associated member of protected series to information concerning**  
678 **protected series.**

679 A. A member of a series limited liability company that is not an associated member of a protected  
680 series of the series limited liability company has a right to information concerning the protected series  
681 to the same extent, in the same manner, and under the same conditions that a non-manager member of  
682 a manager-managed limited liability company has a right to information concerning the limited liability  
683 company under subsection B of § 13.1-1028.

684 B. A person formerly an associated member of a protected series has a right to information  
685 concerning the protected series to the same extent, in the same manner, and under the same conditions  
686 that a person dissociated as a member of a manager-managed limited liability company has a right to  
687 information concerning the company under subsection B of § 13.1-1028.

688 C. If an associated member dies, the legal representative of the deceased associated member has a  
689 right to information concerning the protected series to the same extent, in the same manner, and under  
690 the same conditions that the legal representative of a deceased member has a right to information  
691 concerning the series limited liability company under subsection B of § 13.1-1028.

692 **§ 13.1-1099.7. Limitations on liability.**

693 A. A person is not liable, directly or indirectly, by way of contribution or otherwise, for a debt,  
694 obligation, or other liability of:

695 1. A protected series solely by reason of being or acting as an associated member of the protected  
696 series, a series manager of the protected series, a member of the series limited liability company that  
697 established the protected series, or a person managing the company or by having a series membership  
698 interest in the protected series; or

699 2. A series limited liability company solely by reason of being or acting as an associated member or  
700 protected series manager of a protected series of the company.

701 B. Subject to subsection C and § 13.1-1099.8:

702 1. A debt, obligation, or other liability of a series limited liability company is solely the debt,  
703 obligation, or other liability of the series limited liability company;

704 2. A debt, obligation, or other liability of a protected series is solely the debt, obligation, or other  
705 liability of the protected series;

706 3. A series limited liability company is not liable, directly or indirectly, by way of contribution or  
707 otherwise, for a debt, obligation, or other liability of a protected series of the series limited liability  
708 company solely by reason of the series limited liability company:

709 a. Having established the protected series;

710 b. Being or acting as a protected series manager of the protected series;

711 c. Having the protected series manage the series limited liability company; or

712 d. Owning a protected series membership interest in the protected series;

713 4. A protected series is not liable, directly or indirectly, by way of contribution or otherwise, for a  
714 debt, obligation, or other liability of the series limited liability company that established the protected  
715 series or another protected series of the series limited liability company solely by reason of:

716 a. Being a protected series of the series limited liability company;

717 b. Being or acting as a person managing the series limited liability company or a protected series  
718 manager of another protected series of the series limited liability company; or

719 c. Having the series limited liability company or another protected series of the series limited  
720 liability company be or act as a protected series manager of the protected series.

721 C. A claim to disregard a limitation stated in subsection B is governed by the principles of law and  
722 equity, including principles providing rights to creditors or holding a person liable for a debt,  
723 obligation, or other liability of another person, that would apply if each protected series of the series  
724 limited liability company were a limited liability company, organized separately from the limited liability  
725 company that established the protected series and distinct from the series limited liability company and  
726 any other protected series of the series limited liability company.

727 D. In a civil action in the Commonwealth, subsection C applies to a claim to disregard a limitation  
728 of liability applicable to a foreign series limited liability company or foreign protected series which is  
729 comparable to a limitation stated in subsection B if:

730 1. The claimant is a resident of the Commonwealth or doing business or registered to do business in  
731 the Commonwealth; or

732 2. The claim is to establish or enforce a liability arising under the law of the Commonwealth or  
733 from an act or omission in the Commonwealth.

734 **§ 13.1-1099.8. Enforcement of claim against non-associated asset.**

735 A. For purposes of this section, a claimant first seeks enforcement of a claim against an asset of a

series limited liability company or protected series of the series limited liability company when the claimant first serves process on the series limited liability company or protected series of the series limited liability company, seeking enforcement of the claim under this section by attachment, levy, or other action.

B. In addition to any other remedy provided by law or equity, a judgment against a series limited liability company or a protected series may be enforced according to the following rules:

1. A judgment against a series limited liability company may be enforced against an asset of a protected series of the series limited liability company if:

a. When enforcement is first sought, the asset is a non-associated asset of the protected series; or

b. When the liability giving rise to the claim was incurred, the asset was a non-associated asset of the protected series.

2. A claim against a series limited liability company may be enforced against an asset of a protected series of the series limited liability company only if:

a. When enforcement is first sought, the asset is a non-associated asset of the protected series; or

b. When the liability giving rise to the claim was incurred, the asset was a non-associated asset of the series limited liability company.

3. A claim against a protected series may be enforced against an asset of another protected series of the series limited liability company only if:

a. When enforcement is first sought, the asset is a non-associated asset of the other protected series; or

b. When the liability giving rise to the claim was incurred, the asset was a non-associated asset of the other protected series.

C. The rules stated in subsection B apply in a proceeding seeking a prejudgment remedy by attachment, levy, lien, or the like, as permitted by applicable law, even though no judgment has been ordered.

D. In a proceeding under this section, the party asserting that an asset is or was an associated asset of a series limited liability company or a protected series of the company has the burden of proof on the issue.

E. A proceeding under this section is an action to enforce a judgment.

**§ 13.1-1099.9. Remedies of judgment creditor of associated member or protected series assignee.**

Any provision of § 13.1-1041.1 that provides or restricts remedies available to a judgment creditor of a member of a limited liability company or owner of a membership interest of the series limited liability company applies to a judgment creditor of:

1. An associated member or protected series assignee of a protected series; or

2. The series limited liability company, to the extent that it owns a protected series membership interest of the protected series.

**§ 13.1-1099.10. Events causing dissolution of protected series.**

A protected series is dissolved, and its activities and affairs shall be wound up, upon the:

1. Dissolution of the series limited liability company that established the protected series;

2. Occurrence of an event or circumstance the operating agreement states causes dissolution of the protected series;

3. Affirmative vote or consent of all the members; or

4. Entry of a court order dissolving the protected series on application by:

a. An associated member or protected series manager of the protected series, in accord with § 13.1-1094 and to the same extent, in the same manner, and on the same grounds the court would enter an order dissolving a limited liability company on application by a member of or a person managing the company; or

b. The series limited liability company or a member of the series limited liability company on the grounds that the conduct of all or substantially all of the activities and affairs of the protected series is illegal.

**§ 13.1-1099.11. Winding up dissolved protected series.**

A. Subject to subsection B and in accordance with § 13.1-1094:

1. A dissolved protected series shall wind up its activities and affairs in the same manner that a limited liability company winds up its affairs under Article 9 (§ 13.1-1046 et seq.); and

2. Judicial supervision or other judicial remedy is available in the winding up of the protected series to the same extent, in the same manner, and under the same conditions that apply under Article 9 (§ 13.1-1046 et seq.) in the winding up of a limited liability company.

B. When a protected series has completed winding up, the series limited liability company that established the protected series shall deliver to the Commission for filing a statement of designation cancellation stating the name of the protected series, that the protected series is canceled, and the date of cancellation.

797 C. A series limited liability company does not complete its winding up until each of its protected  
798 series has completed its winding up.

799 **§ 13.1-1099.12. Effect of reinstatement of series limited liability company or revocation of**  
800 **voluntary dissolution.**

801 If a series limited liability company that is administratively dissolved is reinstated, or a series limited  
802 liability company that voluntarily dissolves rescinds its dissolution:

803 1. Each protected series of the company ceases winding up; and

804 2. The provisions of § 13.1-1050.4 stating the results of the reinstatement or rescission apply to each  
805 protected series of the company in accord with § 13.1-1094.

806 **§ 13.1-1099.13. Governing law; foreign series limited liability companies and foreign protected**  
807 **series.**

808 A. The law of the jurisdiction of formation of a foreign series limited liability company governs:

809 1. The internal affairs of a foreign protected series of the foreign series limited liability company;

810 2. Relations between the protected series and:

811 a. The foreign series limited liability company;

812 b. Another protected series of the foreign series limited liability company;

813 c. A member of the foreign series limited liability company that is not an associated member of the  
814 protected series;

815 d. A protected series assignee of another protected series of the foreign series limited liability  
816 company; and

817 e. An assignee of a membership interest of the foreign series limited liability company;

818 3. The liability of a person for a debt, obligation, or other liability of a foreign protected series of a  
819 foreign series limited liability company if the debt, obligation, or other liability is asserted solely by  
820 reason of the person being or acting as:

821 a. An associated member, series assignee, or protected series manager of the protected series;

822 b. A member of the foreign series limited liability company not an associated member of the  
823 protected series;

824 c. A series assignee of another protected series of the foreign series limited liability company;

825 d. A protected series manager of another protected series of the foreign series limited liability  
826 company;

827 e. A person managing the foreign series limited liability company; or

828 f. An assignee of a membership interest of the foreign series limited liability company; and

829 4. Subject to subsection D of § 13.1-1099.7 and § 13.1-1099.15:

830 a. The liability of a person for a debt, obligation, or other liability of a protected series if the debt,  
831 obligation, or other liability is asserted solely by reason of the foreign series limited liability company:

832 (1) Having established the protected series;

833 (2) Being or acting as a protected series manager of the protected series;

834 (3) Having the protected series manage the foreign series limited liability company; or

835 (4) Owning a protected series membership interest in the protected series; and

836 b. The liability of a foreign protected series for a debt, obligation, or other liability of the foreign  
837 series limited liability company or another protected series of the foreign series limited liability  
838 company if the debt, obligation, or other liability is asserted solely by reason of the protected series:

839 (1) Being a protected series of the foreign series limited liability company or having the foreign  
840 series limited liability company or another protected series of the foreign series limited liability  
841 company be or act as protected series manager of the protected series; or

842 (2) Managing the foreign series limited liability company or being or acting as a series manager of  
843 another protected series of the foreign series limited liability company.

844 **§ 13.1-1099.14. Transacting business in the Commonwealth by foreign series limited liability**  
845 **companies or foreign protected series; jurisdiction.**

846 In determining whether a foreign series limited liability company or foreign protected series of the  
847 foreign series limited liability company has transacted business in the Commonwealth or is subject to  
848 the jurisdiction of the courts of the Commonwealth:

849 1. The activities and affairs of the foreign series limited liability company are not attributable to a  
850 protected series of the foreign series limited liability company solely because the foreign series limited  
851 liability company established the protected series; and

852 2. The activities and affairs of a protected series are not attributable to the foreign series limited  
853 liability company or another protected series of the foreign series limited liability company solely  
854 because the foreign series limited liability company established the protected series or the other  
855 protected series.

856 **§ 13.1-1099.15. Application of § 13.1-1099.8 to foreign series limited liability companies and**  
857 **foreign protected series.**

858 Section 13.1-1099.8 shall apply to any asset of a foreign series limited liability company or foreign

protected series if:

1. The asset is real or tangible property located in the Commonwealth;
2. The claimant is a resident of the Commonwealth or doing business or registered to do business in the Commonwealth or the claim under § 13.1-1099.8 is to enforce a judgment pertaining to a liability arising from the law of the Commonwealth or an act or omission in the Commonwealth; and
3. The asset is not identified in the records of the foreign company or foreign protected series in a manner comparable to the manner required by § 13.1-1099.2.

**§ 13.1-1099.16. Registration of foreign protected series.**

A. Except as otherwise provided in this section and subject to § 13.1-1099.14, the provisions of Article 10 (§ 13.1-1051 et seq.) governing the issuance and cancellation of a certificate of registration of a foreign limited liability company to transact business in the Commonwealth applies to a foreign protected series as if the foreign protected series were a foreign limited liability company organized separately from the foreign series limited liability company that established the foreign protected series and distinct from the foreign series limited liability company and any other foreign protected series of the foreign series limited liability company.

B. An application by a foreign protected series for a certificate of registration to transact business in the Commonwealth shall include:

1. The name and jurisdiction of formation of the foreign series limited liability company that established the foreign protected series applying for registration; and
2. If the foreign series limited liability company has other protected series, the name and the street, mailing, and electronic mail addresses of an individual who knows the name and the street, mailing, and electronic mail address of each other foreign protected series and the protected series manager of and agent for service of process for each other foreign protected series.

C. The name of a foreign protected series applying for a certificate of registration or registered to transact business in the Commonwealth shall comply with § 13.1-1096. A foreign protected series may comply with § 13.1-1096 pursuant to Chapter 5 (§ 59.1-69 et seq.) of Title 59.1.

D. The requirement in § 13.1-1055 to amend an application for registration to update information applies to the information required by subsection B.

**§ 13.1-1099.17. Disclosure required when foreign series limited liability company or foreign protected series subject to proceeding.**

A. Not later than 30 days after becoming a party to a proceeding before a civil, criminal, administrative, or other adjudicative tribunal of the Commonwealth or a tribunal of the United States located in the Commonwealth:

1. A foreign series limited liability company shall disclose to each other party the name and the street, mailing, and electronic mail addresses of:

- a. Each foreign protected series of the foreign series limited liability company; and
- b. Each protected series manager of and an agent for service of process for each foreign protected series of the foreign series limited liability company; and

2. A foreign protected series shall disclose to each other party the name and the street, mailing, and electronic mail address of:

a. The foreign series limited liability company that established the foreign protected series, each person managing the foreign series limited liability company, and an agent for service of process for the foreign series limited liability company; and

b. Each other foreign protected series, if any, and the protected series manager of and an agent for service of process for each other protected series.

B. The time to make disclosure under subsection A is tolled if the foreign series limited liability company or foreign protected series challenges the personal jurisdiction of the tribunal. If the tribunal rules in favor of its jurisdiction, the tolling ends.

C. If a foreign series limited liability company or foreign protected series does not comply with subsection A, a party to the proceeding may:

1. Move the tribunal to treat the noncompliance as a failure to comply with the tribunal's discovery rules; or
2. Bring a separate proceeding in an appropriate court to enforce the requirements stated in subsection A.

**§ 13.1-1099.18. Uniformity of application and construction.**

In applying and construing this article, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact the Uniform Limited Liability Company Protected Series Act.

**§ 13.1-1099.19. Effect on certain actions.**

This article does not affect an action commenced, proceeding brought, or right accrued before July 1, 2018.

**920 2. That the provisions of this act shall become effective on July 1, 2018.**