

SENATE BILL 292

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 48
and Title 67, relative to limited liability companies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 48, is amended by adding the following
as a new chapter:

48-250-101. Short title. This chapter shall be known and may be cited as the
"Tennessee Uniform Protected Series Act."

48-250-102. Chapter definitions. Unless the context otherwise requires, the
definitions found in the Tennessee Revised Limited Liability Company Act, compiled in chapter
249 of this title, apply to this chapter, and as used in this chapter:

(1) "Asset" means property:

(A) In which a series LLC or protected series has rights; or

(B) As to which the series LLC or protected series has the power to
transfer rights;

(2) "Associated asset" means an asset that meets the requirements of § 48-250-
301;

(3) "Associated member" means a member that meets the requirements of § 48-
250-302;

(4) "Foreign protected series" means an arrangement, configuration, or other
structure established by a foreign LLC that has attributes comparable to a protected
series established under this chapter. The term applies whether or not the law under
which the foreign series LLC is organized refers to "protected series";

(5) "Foreign series LLC" means a foreign LLC that has at least one (1) protected series or designates itself as a series LLC in its organizational documents;

(6) "Non-associated asset" means:

(A) An asset of a series LLC that is not an associated asset of the series LLC; or

(B) An asset of a protected series of the series LLC that is not an associated asset of the protected series;

(7) "Person" includes a protected series;

(8) "Property" means all property, whether real, personal, or mixed, or tangible or intangible, or any right or interest in the property;

(9) "Protected series", except in the phrase "foreign protected series", means a protected series established under § 48-250-201;

(10) "Protected-series director" means an individual who is vested with the authority with respect to the protected series as a director under the Tennessee Revised Limited Liability Company Act;

(11) "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 under the operating agreement, this chapter, and the Tennessee Revised Limited Liability Company Act;

(12) "Protected-series transferable interest" means an associated member's or an associated holder's financial rights. The right may be issued to the associated holder by the series LLC or the right may be initially owned by a person in the person's capacity as an associated member, whether or not the person remains an associated member or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned;

(13) "Protected-series transferee" means a person to which all or part of a protected-series transferable interest of a protected series of a series LLC has been

transferred, other than the series LLC. The term includes a person that owns a protected-series transferable interest as a result of ceasing to be an associated member of a protected series;

(14) "Series LLC", except in the phrase "foreign series LLC", means an LLC that has at least one (1) protected series;

(15) "Transferable interest" means a member's or holder's financial rights. The right may be issued to the holder by the series LLC or the right may be initially owned by a person in the person's capacity as a member, whether or not the person remains a member or continues to own any part of the right. The term applies to any fraction of the interest, by whomever owned; and

(16) "Transferee" means a person to which all or part of a transferable interest or a protected-series transferable interest has been transferred, whether or not the transferor is a member.

48-250-103. Nature of protected series. A protected series of a series LLC is a person distinct from:

(1) The series LLC, subject to §§ 48-250-104(c), 48-250-501(4), and 48-250-502(d);

(2) Another protected series of the series LLC;

(3) A member of the series LLC, whether or not the member is an associated member of the protected series;

(4) A protected-series transferee of a protected series of the series LLC; and

(5) A transferee of a transferable interest of the series LLC.

48-250-104. Powers and duration of protected series.

(a) A protected series of a series LLC has the capacity to sue and be sued in its own name.

(b) Except as otherwise provided in subsections (c) and (d), a protected series of a series LLC has the same powers and purposes as the series LLC.

(c) A protected series of a series LLC ceases to exist not later than when the series LLC completes its winding up.

(d) A protected series of a series LLC may not:

(1) Be a member of the series LLC;

(2) Establish a protected series; or

(3) Except as permitted by the law of this state other than this chapter, have a purpose or power that the law of this state other than this chapter prohibits an LLC from doing or having.

48-250-105. Governing law. The law of this state governs:

(1) The internal affairs of a protected series of a series LLC, including:

(A) Relations among any associated members of the protected series;

(B) Relations among the protected series and:

(i) Any associated member;

(ii) The protected-series manager; or

(iii) Any protected-series transferee;

(C) Relations between any associated member and:

(i) The protected-series manager; or

(ii) Any protected-series transferee;

(D) The rights and duties of a protected-series manager;

(E) Governance decisions affecting the activities and affairs of the protected series and the conduct of those activities and affairs; and

(F) Procedures and conditions for becoming an associated member or protected-series transferee;

(2) The relations between a protected series of a series LLC and each of the following:

(A) The series LLC;

(B) Another protected series of the series LLC;

(C) A member of the series LLC 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;

(E) A protected-series director that is not a protected-series director of the protected series; and

(F) A protected-series transferee that is not a protected-series transferee of the protected series;

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

(A) An associated member, protected-series transferee, protected-series manager, or a protected-series director of the protected series;

(B) A member of the series LLC 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 director that is not a protected-series director of the protected series;

(E) A protected-series transferee that is not a protected-series transferee of the protected series;

(F) A manager of the series LLC;

(G) A director of the series LLC; or

(H) A transferee of a transferable interest of the series LLC;

(4) The liability of a series LLC for a debt, obligation, or other liability of a protected series of the series LLC if the debt, obligation, or liability is asserted solely by reason of the series LLC:

(A) Having delivered to the secretary of state for filing under § 48-250-201(a) a protected series designation pertaining to the protected series or under § 48-250-201(d) or § 48-250-202(c) a statement of designation change pertaining to 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 a manager of the series LLC; or

(D) Owning a protected-series transferable interest of the protected series; and

(5) The liability of a protected series of a series LLC for a debt, obligation, or other liability of the series LLC or of another protected series of the series LLC if the debt, obligation, or liability is asserted solely by reason of:

(A) The protected series:

(i) Being a protected series of the series LLC or having as a protected-series manager the series LLC or another protected series of the series LLC; or

(ii) Being or acting as a protected-series manager of another protected series of the series LLC or a manager of the series LLC; or

(B) The series LLC owning a protected-series transferable interest of the protected series.

48-250-106. Relation of operating agreement, this chapter, and the Tennessee Revised Limited Liability Company Act.

(a) Except as otherwise provided in this section and subject to §§ 48-250-107 and 48-250-108, the articles of organization and operating agreement of a series LLC governs:

(1) The internal affairs of a protected series, including:

(A) Relations among any associated members of the protected series;

(B) Relations among the protected series and:

(i) Any associated member;

(ii) The protected-series director;

(iii) The protected-series manager; or

(iv) Any protected-series transferee;

(C) Relations between any associated member and:

(i) The protected-series director;

(ii) The protected-series manager; or

(iii) Any protected-series transferee;

(D) The rights and duties of a protected-series director;

(E) The rights and duties of a protected-series manager;

(F) Governance decisions affecting the activities and affairs of the protected series and the conduct of those activities and affairs; and

(G) Procedures and conditions for becoming an associated member or protected-series transferee;

(2) Relations among the protected series, the series LLC, and any other protected series of the series LLC; and

(3) Relations between:

(A) The protected series, its protected-series director or protected-series manager, any associated member of the protected series, or any protected-series transferee of the protected series; and

(B) A person in the person's capacity as:

(i) A member of the series LLC that is not an associated member of the protected series;

(ii) A protected-series transferee or protected-series manager of another protected series; or

(iii) A transferee of the series LLC.

(b) If the Tennessee Revised Limited Liability Company Act, compiled in chapter 249 of this title, restricts the power of an operating agreement to affect a matter, the restriction applies to a matter under this chapter in accordance with § 48-250-108.

(c) If the law of this state other than this chapter imposes a prohibition, limitation, requirement, condition, obligation, liability, or other restriction on an LLC, a director, member, manager, or other agent of the series LLC, or a transferee of the series LLC, except as otherwise provided in the law of this state other than this chapter, the restriction applies in accordance with § 48-250-108.

(d) Except as otherwise provided in § 48-250-108, if the operating agreement of a series LLC does not provide for a matter described in subsection (a) in a manner permitted by this chapter, the matter is determined in accordance with the following rules:

(1) To the extent this chapter addresses the matter, this chapter governs; and

(2) To the extent this chapter does not address the matter, the Tennessee Revised Limited Liability Company Act governs the matter in accordance with § 48-250-108.

48-250-107. Additional limitations on operations agreement.

(a) An operating agreement may not vary the effect of:

(1) This section;

(2) Section 48-250-103;

(3) Section 48-250-104(a);

(4) Section 48-250-104(b) to provide a protected series a power beyond the powers the Tennessee Revised Limited Liability Company Act, compiled in chapter 249 of this title, provides an LLC;

(5) Section 48-250-104(c) or (d);

(6) Section 48-250-105;

(7) Section 48-250-106;

(8) Section 48-250-108;

(9) Section 48-250-201, except to vary the manner in which an LLC approves establishing a protected series;

(10) Section 48-250-202;

(11) Section 48-250-301;

(12) Section 48-250-302;

(13) Section 48-250-303(a) or (b);

(14) Section 48-250-304(c) or (g);

- (15) Section 48-250-401, except to decrease or eliminate a limitation of liability stated in § 48-250-401;
- (16) Section 48-250-402;
- (17) Section 48-250-403;
- (18) Section 48-250-404;
- (19) Section 48-250-501(1), (4), and (5);
- (20) Section 48-250-502, except to designate a different person to manage winding up;
- (21) Section 48-250-503;
- (22) Part 6 of this chapter, except to increase the managers', directors', or members' vote requirements of § 48-250-604(a);
- (23) Part 7 of this chapter, except to increase the managers', directors', or members' vote requirements of § 48-250-706;
- (24) Part 9 of this chapter;
- (25) Part 10 of this chapter, except to vary:
 - (A) The manner in which a series LLC may elect under § 48-250-1004(a)(2) to be subject to this chapter; or
 - (B) The person that has the right to sign and deliver to the secretary of state for filing a record under § 48-250-803(b)(3); or
- (26) A provision of this chapter pertaining to:
 - (A) Registered agents; or
 - (B) The secretary of state, including provisions pertaining to records authorized or required to be delivered to the secretary of state for filing under this chapter.

(b) An operating agreement may not unreasonably restrict the duties and rights under § 48-250-305 but may impose reasonable restrictions on the availability and use of information obtained under § 48-250-305 and may provide appropriate remedies, including liquidated damages, for a breach of any reasonable restriction on use.

48-250-108. Rules for applying the Tennessee Revised Limited Liability Company Act to specified provisions of this chapter.

(a) Except as otherwise provided in subsection (b) and § 48-250-107, the following rules apply in applying §§ 48-250-106, 48-250-304(c), 48-250-304(f), 48-250-504(5)(A), 48-250-502(a), and 48-250-503(2):

(1) A protected series of a series LLC is deemed to be an LLC that is formed separately from the series LLC and is distinct from the series LLC and any other protected series of the series LLC;

(2) An associated member of the protected series is deemed to be a member of the series LLC deemed to exist under subdivision (a)(1);

(3) A protected-series transferee of the protected series is deemed to be a transferee of the series LLC deemed to exist under subdivision (a)(1);

(4) A protected-series transferable interest of the protected series is deemed to be a transferable interest of the series LLC deemed to exist under subdivision (a)(1);

(5) A protected-series manager is deemed to be a manager of the series LLC deemed to exist under subdivision (a)(1) and a protected-series director is deemed to be a director of the series LLC deemed to exist under subdivision (a)(1);

(6) An asset of the protected series is deemed to be an asset of the series LLC deemed to exist under subdivision (a)(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 LLC deemed to exist under subdivision (a)(1).

(b) Subsection (a) does not apply if its application would:

(1) Contravene § 48-249-205; or

(2) Authorize or require the secretary of state to:

(A) Accept for filing a type of record that neither this chapter nor the Tennessee Revised Limited Liability Company Act, compiled in chapter 249 of this title, authorizes or requires a person to deliver to the secretary of state for filing; or

(B) Make or deliver a record that neither this chapter nor the Tennessee Revised Limited Liability Company Act authorizes or requires the secretary of state to make or deliver.

48-250-201. Protected series designation; amendment.

(a) An LLC by its original articles of organization or an amendment to its articles of organization may declare itself to be a series LLC and, if it chooses, amend its name as provided in § 48-249-106, and once so declared, with the affirmative vote or consent of all members of the series LLC, may establish a protected series.

(b) To establish a protected series, a series LLC shall deliver to the secretary of state for filing an application for a protected series designation, signed by an authorized person of the series LLC, stating:

(1) The true legal name of the series LLC;

(2) The secretary of state's control number for the series LLC;

(3) The name of the protected series to be established, that satisfies the requirements in § 48-250-202;

(4) The street address and zip code of the principal executive office of the protected series, and a mailing address such as a post office box if the United States postal service does not deliver to the principal executive office, and the county in which the office is located;

(5) A statement as to whether the protected series will be member-managed, manager-managed, or director-managed;

(6) Confirmation that the registered agent for the series LLC is the registered agent for each protected series of the series LLC as required by this section;

(7) A statement that the registered agent in this state for the series LLC is the registered agent in this state for each protected series of the series LLC;

(8) If under § 48-249-114(f), one (1) or more of the associated members are personally liable for all of the debts, obligations, and liabilities of the protected series, the information required in § 48-249-114(f);

(9) If the existence of the protected series is to begin upon a future date, or the occurrence of a specific event, the future date or a description of the specific event; provided, that in no event may the future date, or the actual occurrence of the specific event, be more than ninety (90) days after the filing of the application of the protected series designation in compliance with § 48-249-201;

(10) If the duration of the protected series is to be limited to a specific period of time or term of years, which shall not exceed the duration of the series

LLC, the limitation and the future date on which dissolution is to occur or the term of years shall be stated in the application;

(11) If the protected series, while being organized under the law of this state, is not to engage in business in this state, a statement that the protected series is prohibited from engaging in business in this state; and

(12) If the protected series desires to be an obligated member entity with its associated members electing unlimited liability, the information required in § 67-4-2008(d) with each associated member making the election signing the protected series designation.

(c) A protected series is established when the protected series designation takes effect under § 48-249-201 as if the protected series designation were the filing of the articles of organization of an LLC.

(d) To amend a protected series designation, a series LLC shall deliver to the secretary of state for filing an application for a statement of designation change, that changes the name of the series LLC, the name of the protected series to which the designation applies, or both. The application must include:

- (1) The true, legal name of the series LLC;
- (2) The secretary of state control number of the series LLC;
- (3) The name of the protected series;
- (4) The secretary of state control number for the protected series;
- (5) The effective date of the amendment, which cannot be more than ninety (90) days after the date of filing with the secretary of state;
- (6) The desired amendment; and
- (7) The signature of an authorized person for the series LLC.

(e) The change takes effect when the statement of designation change takes effect under § 48-249-1013.

48-250-202. Name.

(a) Except as otherwise provided in subsection (b), the name of a protected series must comply with § 48-249-106.

(b) The name of a protected series of a series LLC must:

(1) Begin with the name of the series LLC, including any word or abbreviation required by § 48-249-106(a)(1); and

(2) Contain the phrase "Protected Series" or "protected series" or the abbreviation "P.S." or "PS," or words of like import in another language consistent with § 48-249-106(a)(1).

(c) If a series LLC changes its name, the series LLC shall deliver to the secretary of state for filing an application for a statement of designation change for each of the series LLC's protected series, changing the name of each protected series to comply with this section.

48-250-203. Registered agent.

(a) The registered agent in this state for a series LLC is the registered agent in this state for each protected series of the series LLC.

(b) Before delivering a protected series designation to the secretary of state for filing, a series LLC shall agree with a registered agent that the agent will serve as the registered agent in this state for both the series LLC and each of the protected series.

(c) A person that signs a protected series designation delivered to the secretary of state for filing affirms as a fact that the series LLC on whose behalf the designation is delivered has complied with subsection (b).

(d) A person that ceases to be the registered agent for a series LLC ceases to be the registered agent for each protected series of the series LLC.

(e) A person that ceases to be the registered agent for a protected series of a series LLC, other than as a result of the termination of the protected series, ceases to be the registered agent of the series LLC and any other protected series of the series LLC.

(f) Except as otherwise agreed by a series LLC and its registered agent, the agent is not obligated to distinguish between a process, notice, demand, or other record concerning the series LLC and a process, notice, demand, or other record concerning a protected series of the series LLC.

48-250-204. Service of process, notice, demand, or other record.

(a) A protected series of a series LLC may be served with a service of process, notice, demand, or other record required or permitted by law by:

- (1) Serving the series LLC;
- (2) Serving the registered agent of the protected series; or
- (3) Other means authorized by the law of this state other than the

Tennessee Revised Limited Liability Company Act, compiled in chapter 249 of this title.

(b) Service of a summons and complaint on a series LLC is notice to each protected series of the series LLC of service of the summons and complaint and the contents of the complaint.

(c) Service of a summons and complaint on a protected series of a series LLC is notice to the series LLC and any other protected series of the series LLC of service of the summons and complaint and the contents of the complaint.

(d) Service of a summons and complaint on a foreign series LLC is notice to each foreign protected series of the foreign series LLC of service of the summons and complaint and the contents of the complaint.

(e) Service of a summons and complaint on a foreign protected series of a foreign series LLC is notice to the foreign series LLC and any other foreign protected series of the series LLC of service of the summons and complaint and the contents of the complaint.

(f) Notice to a person under subsection (b), (c), (d), or (e) is effective whether or not the summons and complaint identify the person if the summons and complaint name as a party and identify:

(1) The series LLC or a protected series of the series LLC; or

(2) The foreign series LLC or a foreign protected series of the foreign series LLC.

48-250-205. Certificate of existence or authorization for protected series.

(a) On request of any person, the secretary of state shall issue a certificate of existence for a domestic protected series of a series LLC or a certificate of authorization for a foreign protected series authorized to transact business in this state if:

(1) In the case of a protected series:

(A) No statement of dissolution, termination, or relocation pertaining to the protected series has been filed; and

(B) The series LLC has delivered to the secretary of state for filing the most recent annual report required by § 48-249-1017 and the report includes the name of the protected series and any other required information, unless:

(i) When the series LLC delivered the report for filing, the protected series designation pertaining to the protected series had not yet taken effect; or

(ii) After the series LLC delivered the report for filing, the series LLC delivered to the secretary of state for filing a statement of designation changing the name of the protected series; or

(2) In the case of a foreign protected series, it is authorized to transact business in this state.

(b) A certificate issued under subsection (a) must state:

(1) In the case of a protected series:

(A) The name of the protected series of the series LLC and the name of the series LLC;

(B) That the requirements of subsection (a) are met;

(C) The date the protected series designation pertaining to the protected series took effect; and

(D) If a statement of designation change pertaining to the protected series has been filed, the effective date and contents of the statement;

(2) In the case of a foreign protected series, that it is authorized to do business in this state;

(3) That the fees, taxes, interest, and penalties owed to this state by the protected series or foreign protected series have been paid, if:

(A) Payment is reflected in the records of the secretary of state and the department of revenue; and

(B) Nonpayment causes the administrative dissolution or administrative revocation of the protected series; and

(4) Other facts reflected in the records of the secretary of state pertaining to the protected series or foreign protected series that the person requesting the certificate reasonably requests.

(c) Subject to any qualification stated by the secretary of state in a certificate issued under subsection (a), the certificate may be relied on as conclusive evidence that the protected series is in existence or is authorized to transact business in this state and is in good standing.

48-250-206. Information required in annual report; effect of failure to provide.

(a) In addition to the requirements in § 48-249-1017, annual reports filed by a series LLC or a foreign series LLC must include:

(1) The name of each protected series of the series LLC and the secretary of state control number for each protected series of the series LLC for which the series LLC has previously delivered to the secretary of state for filing a protected series designation:

(A) Which has not dissolved and completed winding up; or

(B) Which has not relocated; and

(2) The true legal name of the series LLC; the secretary of state control number of the series LLC; the city, state, and street address and zip code; and if United States mail service is not delivered to the address, a post office box or other address to receive mail; the telephone number of a person who maintains an updated written record of the name, street address, and mailing address of all managers of manager-managed protected series, all directors of director-managed protected series, and all members of member-managed protected

series; and any information that would be required to be filed if the protected series were required to file an annual report disclosing the information required of an LLC in this state.

(b) The annual report must contain a certification by the person that the person is in fact maintaining the information described in subsection (a) and updating it at least annually.

(c) If the foreign series LLC has other foreign protected series, the annual report must include:

(1) The name, city, state, and street address and zip code of each other foreign protected series of the foreign series LLC, and if United States mail service is not delivered to the address, a post office box or other address to receive mail; and the name, city, state, and street address and zip code of an individual who maintains the records as set forth in § 48-250-206(b); and

(2) The name, city, state, street address, and zip code of the registered agent for service of process for each other foreign protected series of the foreign series LLC.

(d) A failure by a series LLC to comply with subsections (a), (b) and (c), as applicable, with regard to a protected series prevents issuance of a certificate of existence pertaining to the protected series but does not otherwise affect the protected series.

48-250-301. Associated asset; associated member; protected-series transferable interest; management; right of information associated asset.

(a) Only an asset of a protected series may be an associated asset of the protected series. Only an asset of a series LLC may be an associated asset of the series LLC.

(b) An asset of a protected series of a series LLC 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 asset of the protected series, any asset of the series LLC, and any asset of any other protected series of the series LLC;

(2) Determine when and from what person the protected series acquired the asset or how the asset otherwise became an asset of the protected series; and

(3) If the protected series acquired the asset from the series LLC or another protected series of the series LLC, determine any consideration paid, the payor, and the payee.

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

(1) Identify the asset and distinguish it from any other asset of the series LLC and any asset of any protected series of the series LLC;

(2) Determine when and from what person the series LLC acquired the asset or how the asset otherwise became an asset of the series LLC; and

(3) If the series LLC acquired the asset from a protected series of the series LLC, determine any consideration paid, the payor, and the payee.

(d) The records and recordkeeping required by subsections (b) and (c) may be organized by specific listing, category, type, quantity, or computational or allocational

formula or procedure, including a percentage or share of any asset, or in any other reasonable manner.

(e) To the extent permitted by this section and the law of this state other than this chapter, a series LLC or protected series of the series LLC may hold an associated asset directly or indirectly, through a representative, nominee, or similar arrangement, except that:

(1) A protected series may not hold an associated asset in the name of the series LLC or another protected series of the series LLC; and

(2) The series LLC may not hold an associated asset in the name of a protected series of the series LLC.

48-250-302. Associated member or associated holder of transferable interest.

(a) Only a member or holder of a series LLC may be an associated member or an associated holder of a protected series of the series LLC.

(b) A member or holder of a series LLC becomes an associated member or an associated holder of a protected series of the series LLC if the operating agreement or a procedure established by the agreement states:

(1) That the member or holder is an associated member or an associated holder of financial rights of the protected series;

(2) The date on which the member or holder became an associated member or holder; and

(3) Any protected-series transferable interest the associated member, or the transferable interest of an associated holder, has in connection with becoming or being an associated member or an associated holder.

(c) If a person that is an associated member or an associated holder of a protected series of a series LLC is dissociated from the series LLC, the person ceases to be an associated member or an associated holder of the protected series.

48-250-303. Protected-series transferable interest.

(a) A protected-series transferable interest of a protected series of a series LLC shall be owned initially by an associated member or an associated holder of the protected series or the series LLC.

(b) If a protected series of a series LLC has no associated members when established, the series LLC owns the protected-series transferable interests in the protected series.

(c) In addition to acquiring a protected series transferable series interest under subsection (b), a series LLC may acquire a series transferable interest through a transfer from another person or as provided in the operating agreement.

(d) Except for § 48-250-108(a)(3), a provision of this chapter that applies to a protected-series transferee of a protected series of a series LLC applies to the series LLC in its capacity as an owner of a protected-series transferable interest of the protected series. A provision of the operating agreement of a series LLC that applies to a protected-series transferee of a protected series of the series LLC applies to the series LLC in its capacity as an owner of a protected-series transferable interest of the protected series.

48-250-304. Management.

(a) A protected series may be:

(1) Member-managed with one (1) or more associated members;

(2) Manager-managed and have one (1) or more protected-series

managers; or

(3) Director-managed and have one (1) or more protected-series directors.

(b) If a protected series has no associated members, the series LLC is the equivalent of a protected-series associated member, protected-series manager, or the protected-series director, as applicable.

(c) Section 48-250-108 applies to determine any duties of a protected-series associated member, a protected-series manager, or a protected series director, as applicable, of a protected series of a series LLC to:

- (1) The protected series;
- (2) Any associated member of the protected series;
- (3) Any associated holder of the protected series; and
- (4) Any protected-series transferee of the protected series.

(d) Solely by reason of being or acting as a protected-series manager or a protected-series director of a protected series of a series LLC, a person owes no duty to:

- (1) The series LLC;
- (2) Another protected series of the series LLC; or
- (3) Another person in that person's capacity as:
 - (A) A member or holder of the series LLC that is not an associated member or holder of the protected series;
 - (B) A protected-series transferee, a protected-series manager, or a protected-series director of another protected series; or
 - (C) A transferee of the series LLC.

(e) An associated member of a protected series of a series LLC has the same rights as any other member of the series LLC to vote on or consent to an amendment to the series LLC's operating agreement or any other matter being decided by the

members, whether or not the amendment or matter affects the interests of the protected series or the associated member.

(f) Sections 48-249-801 - 48-249-805 apply to a protected series in accordance with § 48-250-108.

(g) An associated member of a protected series is an agent for the protected series with power to bind the protected series only to the same extent that a member of an LLC with the same management form as the protected series is an agent for the series LLC with power to bind the series LLC under § 48-249-402.

48-250-305. Right of person not an associated member of a protected series to information concerning protected series.

(a) A member of a series LLC that is not an associated member of a protected series of the series LLC has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that a member that is not a manager of a manager-managed LLC or a director of a director-managed LLC has a right to information concerning the series LLC under § 48-249-308.

(b) A person formerly an associated member of a protected series has a right to information concerning the protected series pertaining to the periods during which the person was an associated member to the same extent, in the same manner, and under the same conditions that a person dissociated as a member of an LLC has a right to information concerning the series LLC under § 48-249-308.

(c) If an associated member of a protected series dies, the legal representative of the deceased associated member has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that the legal representative of a deceased member of an LLC has a right to information concerning the series LLC under § 48-249-308.

(d) An associated holder of transferable interests of a protected series has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that a holder has a right to information concerning the series LLC under § 48-249-308.

(e) A protected-series manager or a protected-series director of a protected series has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that a manager of a manager-managed LLC or a director of a director-managed LLC has a right to information concerning the series LLC under the Tennessee Revised Limited Liability Company Act, compiled in chapter 249 of this title.

(f) A series LLC manager or director has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that a manager or director of an LLC has under the Tennessee Revised Limited Liability Company Act.

(g) The right to information arising in or pertaining to any period prior to the dissolution, conversion, or merger of the protected series as provided in subsections (a) - (e) survives the dissolution, conversion, or merger of the protected series.

(h) With respect to subsections (a), (b), (c), and (d), a protected series may withhold or restrict information that the protected series reasonably believes is confidential or a trade secret, or that is sought for an improper purpose under the circumstances or impose reasonable restrictions on the use or distribution of the information and records. The requesting person may seek judicial review of the protected series action as provided in § 48-249-308(d).

48-250-401. Limitations on liability.

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

(1) A protected series of a series LLC solely by reason of being or acting as:

(A) An associated member, holder, series director, series manager, series officer, or protected-series transferee of the protected series; or

(B) A member, holder, director, manager, or officer of the series LLC; or

(2) A series LLC solely by reason of being or acting as an associated member, associated protected-series transferee, protected-series manager, or protected-series officer of a protected series of the series LLC.

(b) Subject to § 48-250-404, the following rules apply:

(1) A debt, obligation, or other liability of a series LLC is solely the debt, obligation, or liability of the series LLC;

(2) A debt, obligation, or other liability of a protected series is solely the debt, obligation, or liability of the protected series;

(3) A series LLC is not liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of a protected series of the series LLC solely by reason of the protected series being a protected series of the series LLC or the series LLC:

(A) Being or acting as a protected-series manager of the protected series;

(B) Having the protected series manage the series LLC; or

(C) Owning a protected-series transferable interest of the protected series; and

(4) A protected series of a series LLC is not liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the series LLC or another protected series of the series LLC solely by reason of:

(A) Being a protected series of the series LLC;

(B) Being or acting as a manager of the series LLC or a protected-series manager of another protected series of the series LLC;
or

(C) Having the series LLC or another protected series of the series LLC be or act as a protected-series manager of the protected series.

(c) Notwithstanding any provision of this chapter to the contrary, the liability for sales tax as provided in § 48-249-114(d) applies to each member, manager, director, officer, employee, agent, or other person of the series LLC and to the associated member, manager, director, officer, employee, agent, or other person at each protected series.

(d) Notwithstanding this section, a member of the series LLC with respect to the series LLC or an associated member of a protected series with respect to a protected series may, by designation in the articles of organization of the series LLC or by the protected series designation of a protected series elect unlimited liability equivalent to that of a general partner in a manner consistent with §§ 48-249-114(f) and 67-4-2008(d) to qualify the series LLC or the protected series for the obligated member entity exception to the franchise and excise tax.

48-250-402. Claim seeking to disregard limitation of liability.

(a) Except as otherwise provided in subsection (b), a claim seeking to disregard a limitation in § 48-250-401 is governed by the principles of law and equity, including a principle providing a right to a creditor or holding a person liable for a debt, obligation, or other liability of another person, which would apply if each protected series of a series LLC were an LLC formed separately from the series LLC and distinct from the series LLC and any other protected series of the series LLC.

(b) The failure of a series LLC or a protected series to observe the usual entity formalities or requirements relating to the exercise of its powers or management of its business is not a ground to disregard a limitation in § 48-250-401(a) but may be a ground to disregard a limitation in § 48-250-401(b).

(c) This section applies to a claim seeking to disregard a limitation of liability applicable to a foreign series LLC or foreign protected series and comparable to a limitation stated in § 48-250-401, if:

(1) The claimant is a resident of this state or doing business or authorized to transact business in this state; or

(2) The claim is to establish or enforce a liability arising under the law of this state other than this chapter or from an act or omission in this state.

48-250-403. Remedies of judgment creditor of associated member or protected-series transferee. Section 48-249-509 applies to a judgment creditor of:

(1) An associated member or associated protected-series transferee of a protected series; or

(2) A series LLC, to the extent the series LLC owns a protected-series transferable interest of a protected series.

48-250-404. Enforcement against non-associated asset.

(a) As used in this section:

(1) With respect to a series LLC or a protected series that is not a party against whom a claim is successfully made, "enforcement association notice" means a notice by a claimant identifying the specific court action against the series LLC or another protected series of the series LLC, as applicable, and stating that the claimant reasonably believes that the property that is reasonably described in the notice was not properly associated on the incurrence date or the enforcement date and may be subject to levy or other enforcement in the event the claimant is successful or has been successful;

(2) "Enforcement association notice date" means 12:01 a.m. on the date on which a claimant first serves the enforcement association notice on a series LLC or a protected-series against whom a court action is not then pending;

(3) "Enforcement date" means 12:01 a.m. on the date on which a claimant first serves process on a series LLC or protected series in an action seeking to enforce under this section a claim against an asset of the series LLC or protected series by attachment, levy, or the like; and

(4) Subject to § 48-250-608(b), "incurrence date" means the date on which a series LLC or protected series incurred the liability giving rise to a claim that a claimant seeks to enforce under this section.

(b) If a claim against a series LLC or a protected series of the series LLC has been reduced to judgment, in addition to any other remedy provided by law or equity, the judgment may be enforced in accordance with the following rules:

(1) A judgment against the series LLC may be enforced against an asset of a protected series of the series LLC if the asset:

(A) Was a non-associated asset of the protected series on the more recent of:

(i) The incurrence date; or

(ii) The date five (5) years immediately prior to the enforcement association notice date; or

(B) Is a non-associated asset of the protected series on the enforcement date;

(2) A judgment against a protected series may be enforced against an asset of the series LLC if the asset:

(A) Was a non-associated asset of the series LLC on the more recent of:

(i) The incurrence date; or

(ii) The date five (5) years immediately prior to the enforcement association notice date; or

(B) Is a non-associated asset of the series LLC on the enforcement date; and

(3) A judgment against a protected series may be enforced against an asset of another protected series of the series LLC if the asset:

(A) Was a non-associated asset of the other protected series on the more recent of:

(i) The incurrence date; or

(ii) The date five (5) years immediately prior to the enforcement association notice date; or

(B) Is a non-associated asset of the other protected series on the enforcement date.

(c) In addition to any other remedy provided by law or equity, if a claim against a series LLC or a protected series has not been reduced to a judgment, and the law other

than this chapter permits a prejudgment remedy by attachment, levy, or the like, the court may apply subsection (b) as a prejudgment remedy.

(d) In a proceeding under this section, the party asserting that an asset is or was an associated asset of a series LLC or a protected series of the series LLC has the burden of proof on the issue.

(e) This section applies to an asset of a foreign series LLC or foreign protected series if:

(1) The asset is real or tangible property located in this state;

(2) The claimant is a resident of this state or doing business or authorized to transact business in this state, or the claim under this section is to enforce a judgment, or to seek a prejudgment remedy, pertaining to a liability arising from the law of this state other than this chapter or an act or omission in this state; and

(3) The asset is not identified in the records of the foreign series LLC or foreign protected series in a manner comparable to the manner required by § 48-250-301.

(f) If an enforcement association notice is received, at any time prior to the claimant's attempt to enforce a judgment, or before there is a judgment, the series LLC or a protected series that is not the subject of the claimant's court action can bring a declaratory action in a court of competent jurisdiction for a determination as to whether the reasonably specified property to which the enforcement association notice applies was or was not properly associated.

48-250-501. Events causing dissolution of protected series. A protected series of a series LLC is dissolved, and its activities and affairs must be wound up, only on the:

(1) Dissolution of the series LLC;

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

(3) Affirmative vote or consent of all members;

(4) Occurrence of a merger pursuant to part 6 of this chapter in which the protected series is not the survivor or a relocated protected series;

(5) Entry by the court of an order dissolving the protected series on application by an associated member, a protected-series director, or protected-series manager of the protected series:

(A) In accordance with § 48-250-108; and

(B) To the same extent, in the same manner, and on the same grounds the court would enter an order dissolving an LLC on application by a member, manager, or director of the series LLC;

(6) Entry by the court of an order dissolving the protected series on application by the series LLC or a member of the series LLC on the grounds that the conduct of all or substantially all the activities and affairs of the protected series is illegal; or

(7) Action of the secretary of state under the same conditions, and with the same effects that apply under §§ 48-249-604 - 48-249-608.

48-250-502. Winding up dissolved protected series.

(a) Subject to subsections (b) and (c), and in accordance with § 48-250-108:

(1) A dissolved protected series shall wind up its activities and affairs in the same manner that an LLC winds up its activities and affairs under §§ 48-249-610 through 611, subject to the same requirements and conditions and with the same effects; and

(2) Judicial supervision or another judicial remedy is available in the winding up of the protected series to the same extent, in the same manner, under

the same conditions, and with the same effects that apply under §§ 48-249-617 through 619.

(b) When a protected series of a series LLC dissolves, the series LLC or the protected series shall deliver to the secretary of state for filing a notice of protected series dissolution stating the name of the series LLC, the series LLC's control number issued by the secretary of state, the name of the protected series, the protected series' control number issued by the secretary of state, and that the protected series is dissolved. The filing of the statement by the secretary of state has the same effect as the filing of a notice of dissolution under § 48-249-609.

(c) When a protected series of a series LLC has completed winding up, the series LLC or the protected series shall deliver to the secretary of state for filing an application for a statement of designation cancellation stating the name of the series LLC, the series LLC's control number issued by the secretary of state, the name of the protected series, the protected series' control number issued by the secretary of state, and that the protected series is terminated. The application must be accompanied by a certificate of tax clearance from the department of revenue for the protected series. The filing of the statement with the secretary of state has the same effect as the filing with the secretary of state of articles of organization of termination with respect to an LLC under § 48-249-612.

(d) A protected series of a series LLC may revoke its voluntary dissolution in the same manner and conditions that an LLC undergoing a voluntary dissolution may revoke its voluntary dissolution under § 48-249-613.

(e) A series LLC has not completed its winding up until each of the protected series of the series LLC has completed its winding up.

48-250-503. Effect of reinstatement of series limited liability company or revocation of voluntary dissolution. If a series LLC has been administratively dissolved, it may apply for reinstatement in accordance with § 48-249-606. When a series LLC is reinstated, or a series LLC that voluntarily dissolved revokes its dissolution under § 48-249-613:

- (1) Each protected series of the series LLC ceases winding up; and
- (2) The provision's revocation or reinstatement applies to each protected series of the series LLC.

48-250-601. Part definitions. As used in this part:

- (1) "After a merger" or "after the merger" means when a merger under § 48-250-604 becomes effective and afterwards;
- (2) "Before a merger" or "before the merger" means before a merger under § 48-250-604 becomes effective;
- (3) "Continuing protected series" means a protected series of a surviving series LLC that continues in uninterrupted existence after a merger under § 48-250-604;
- (4) "Established protected series" means a protected series established by the surviving series LLC as a result of the merger;
- (5) "Merging series LLC" means a series LLC that is party to a merger under § 48-250-604;
- (6) "Non-surviving series LLC" means a merging series LLC that does not continue in existence after a merger under § 48-250-604;
- (7) "Relocated protected series" means a protected series of a non-surviving series LLC that, after a merger under § 48-250-604, continues in uninterrupted existence as a protected series of the surviving series LLC; and
- (8) "Surviving series LLC" means a merging series LLC or a series LLC that is a party to a merger that continues in existence after a merger under § 48-250-604.

48-250-602. Protected series may be party to an entity transaction if the series LLC permits.

(a) A protected series with the approval of the series LLC as provided in § 48-250-604 may be an acquiring, acquired, converting, converted, merging, or surviving party.

(b) A protected series can only be domesticated by virtue of either the domestication of the series LLC of which it is a protected series by merger per § 48-250-604 or by merger of the protected series as provided in § 48-250-604(b)(3).

(c) A protected series may be formed, organized, established, or created as a direct result of a transaction substantially like a merger, as long as the newly created protected series remains an LLC and does not convert to another type of entity.

48-250-603. Restriction on entity transaction involving protected series. A series LLC may not be formed, organized, established, or created as a direct result of a merger, conversion, or domestication but may be formed, organized, established, or created in anticipation of such a transaction and:

(1) A series LLC may be an acquiring or acquired entity;

(2) A series LLC may be acquired by another series LLC;

(3) A series LLC may be acquired by an LLC; or

(4) A series LLC may be a party to or the surviving party of a merger as provided in § 48-250-604.

48-250-604. Merger authorized; parties restricted.

(a) As provided in this section, an LLC, a series LLC, or a protected series may be a party to a merger. The agreement or plan of merger must be approved as provided in § 48-249-702(c) with the series LLC or the protected series being deemed to be an LLC for this purpose. In addition, the merger of a protected series and the resulting

effect of the associated members and associated holders' interests in the series LLC must be approved by a majority vote of the managers of the series LLC if the series LLC is manager-managed, a majority vote of the directors if the series LLC is director-managed, a majority vote of the members if the series LLC is member-managed, and, in all cases, by a majority vote of the associated members with all member votes determined by percentage interest or equivalent concept or by number in accordance with the method of voting applicable to the protected series.

(b) The following are authorized parties to the merger:

(1) A series LLC may be a party to a merger with a series LLC or an LLC in accordance with this section, and §§ 48-250-605 - 48-250-608 only if each other party to the merger is an LLC or a series LLC;

(2) A series LLC may be a party to a merger with a foreign series LLC or a foreign LLC in accordance with this section and §§ 48-250-605 - 48-250-608 only if each other party to the merger is an LLC, a foreign LLC, or a foreign series LLC, and the survivor is a foreign series LLC or a domestic or foreign LLC;

(3) A protected series of a series LLC may be a party to a merger of a domestic LLC, series LLC, or a protected series of a series LLC in accordance with this section, and §§ 48-250-605 - 48-250-608; and

(4) A protected series of a series LLC may be a party to a merger of a foreign LLC, foreign series LLC, a protected series of a series LLC, or a protected series of a foreign series LLC in accordance with this section, and §§ 48-250-605 - 48-250-608.

(c) If any constituent party to a merger is a foreign LLC, foreign series LLC, or foreign protected series, the merger must also be permitted under the law of the

jurisdiction of the foreign LLC, foreign series LLC, or foreign protected series, and the foreign LLC, foreign series LLC, or foreign protected series shall comply with that law.

48-250-605. Plan of merger. In a merger under § 48-250-604, the plan of merger must:

- (1) Name each party to the merger and the name of the surviving party;
- (2) Provide the terms and conditions of the merger;
- (3) State the manner and basis of converting the membership interest of each merging party into memberships or other securities, cash, or other property;
- (4) State the manner and basis of converting the transferable interest of each merging party into transferable interest or other securities, cash, or other property;
- (5) Include any amendments to the survivor's articles of organization, operating agreement, or other organic documents; and
- (6) In addition to providing the above information in the plan of merger:
 - (A) For any protected series of a non-surviving series LLC or non-surviving foreign series LLC, state whether after the merger the protected series will be a relocated protected series or be dissolved, wound up, and terminated;
 - (B) For any protected series of the surviving series LLC or foreign surviving series LLC that exists before the merger, state whether after the merger the protected series will be a continuing protected series or be dissolved, wound up, and terminated;
 - (C) For each domestic or foreign relocated protected series or domestic or foreign continuing protected series state:
 - (i) The name of any person that becomes an associated member or protected-series transferee of the foreign or domestic protected series

after the merger, any consideration to be paid by, on behalf of, or in respect of the person, the name of the payor, and the name of the payee;

(ii) The name of any person whose rights or obligations in the person's capacity as an associated member or protected-series transferee will change after the merger;

(iii) Any consideration to be paid to a person who before the merger was an associated member or an associated holder of transferable interests of the domestic or foreign protected series and the name of the payor;

(iv) If after the merger the protected series will be a relocated protected series, its new name;

(v) For any protected series to be established by the domestic or foreign surviving series LLC as a result of the merger, its new name;

(vi) The name of the protected series;

(vii) Any protected-series transferable interest to be owned by the domestic or foreign surviving series LLC when the protected series is established; and

(viii) The name of any domestic or foreign protected-series transferable interest owned by any person that will be an associated member or an associated holder of the domestic or foreign protected series when the domestic or foreign protected series is established;

(D) For any person that is an associated member or associated holder of transferable interests of a domestic or foreign relocated protected series and will remain a member or an associated holder of domestic or foreign transferable

interests after the merger, include any amendment to the operating agreement of the surviving domestic or foreign series LLC that:

(i) Is or is proposed to be in a record; and

(ii) Is necessary or appropriate to state the rights and obligations of the person as a member of or a holder of transferable interests in the domestic or foreign surviving series LLC; and

(E) If the series LLC survives but a protected series either dissolves or relocates as a result of the merger, state the effect on the associated member's or associated holder's interest in the series LLC.

48-250-606. Articles of merger. In a merger under § 48-250-604, the articles of merger must:

(1) Comply with § 48-249-702(e); and

(2) Include as an attachment the following records, each to become effective

when the merger becomes effective:

(A) For a protected series of a merging LLC or series LLC being terminated as a result of the merger, a statement of termination of designation signed by the domestic or foreign LLC or series LLC identifying the domestic or foreign LLC, series LLC, or the protected series into which the protected series dissolved as a result of the merger;

(B) For a protected series of a non-surviving series LLC that after the merger will be a relocated protected series:

(i) A statement of relocation signed by the non-surviving foreign or domestic series LLC that contains the name of the foreign or domestic series LLC and the name of the foreign or domestic protected series before and after the merger; and

(ii)

(a) A statement of protected series designation signed by the surviving series LLC; or

(b) The equivalent of a protected series designation signed by the foreign surviving series LLC, as applicable;

(C) For a protected series being established by the surviving series LLC as a result of the merger, an application for a statement of designation signed by the series LLC;

(D) For a protected series being terminated as a result of the merger, a statement of designation termination executed by the transferring series LLC and by the acquiring domestic or foreign LLC either for itself or for the foreign or domestic acquiring protected series of the series LLC, as applicable; and

(E) For a merging protected series that after the merger will be a relocated protected series:

(i) A statement of relocation signed by the domestic or foreign transferring series LLC that contains the name of the domestic or foreign series LLC, the name of the domestic or foreign series LLC to whom the protected series relocated, and the name of the domestic or foreign protected series before, and the new name of the domestic or foreign protected series after, the merger; and

(ii) An application for a statement of protected series designation signed by the domestic or foreign series LLC to whom the domestic or foreign protected series relocated.

48-250-607. Effect of merger. When a merger under § 48-250-604 becomes effective, in addition to the effects stated in § 48-249-702(g) and (j):

(1) As provided in the plan of merger, each protected series of each merging domestic or foreign series LLC that was established before the merger:

(A) Is a relocated domestic or foreign protected series or domestic or foreign continuing protected series; or

(B) Is dissolved, wound up, and terminated;

(2) Any domestic or foreign protected series to be established as a result of the merger is established;

(3) Any domestic or foreign relocated protected series, domestic or foreign continuing protected series, or domestic or foreign established protected series is the same person without interruption as it was before the merger;

(4) All property of a domestic or foreign relocated protected series, domestic or foreign continuing protected series, or domestic or foreign established protected series continues to be vested in the domestic or foreign protected series without transfer, reversion, or impairment;

(5) All debts, obligations, and other liabilities of a domestic or foreign relocated protected series, or domestic or foreign established protected series, continue as debts, obligations, and other liabilities of the domestic or foreign protected series;

(6) Except as otherwise provided by law or the plan of merger, all the rights, privileges, immunities, powers, and purposes of a domestic or foreign relocated protected series, domestic or foreign continuing protected series, or domestic or foreign established protected series remain in the domestic or foreign protected series;

(7) The new name of a domestic or foreign relocated protected series may be substituted for the former name of the domestic or foreign protected series in any pending action or proceeding;

(8) If provided in the plan of merger:

(A) A person becomes an associated member or protected-series transferee of a foreign or domestic relocated protected series or domestic or foreign continuing protected series;

(B) A person becomes an associated member of a domestic or foreign protected series established by the surviving foreign or domestic series LLC as a result of the merger;

(C) Any change in the rights or obligations of a person in the person's capacity as an associated member or protected-series transferee of a domestic or foreign relocated protected series, domestic or foreign continuing protected series, or established domestic or foreign protective series take effect; and

(D) Any consideration to be paid to a person that before the merger was an associated member or protected-series transferee of a domestic or foreign relocated protected series, domestic or foreign continuing protected series, or domestic or foreign established protected series is due;

(9) Any person that is an associated member or an associated holder of a domestic or foreign relocated protected series becomes a member or holder of the acquiring or surviving domestic or protected series LLC, if not already a member or holder; and

(10) Except as otherwise provided in the plan of merger or if the merger of a protected series is into the series LLC, any person that is an associated member or an associated holder of a dissolved protected series or a relocated protected series, automatically ceases to be a member or holder of the series LLC unless the person is an associated member or holder of another protected series of the series LLC.

48-250-608. Application of § 48-250-404 after merger.

(a) A creditor's right that existed under § 48-250-404 immediately before a merger under § 48-250-604 may be enforced after the merger in accordance with the following rules:

(1) With respect to a merger of the domestic or foreign series LLC:

(A) A creditor's right that existed immediately before the merger against the surviving domestic or foreign LLC or domestic or foreign series LLC, a domestic or foreign continuing protected series, or a domestic or foreign relocated protected series continues without change after the merger; and

(B) A creditor's right that existed immediately before the merger against a domestic or foreign non-surviving LLC or domestic or foreign series LLC:

(i) May be asserted against an asset of the domestic or foreign non-surviving LLC or domestic or foreign non-surviving series LLC that vested in the domestic or foreign surviving LLC or domestic or foreign surviving series LLC as a result of the merger; and

(ii) Does not otherwise change;

(2) With respect to a merger of a domestic or foreign protected series:

(A) A creditor's right that existed immediately before the merger against a domestic or foreign continuing protected series or a domestic or foreign relocated protected series continues without change after the merger; and

(B) A creditor's right that existed immediately before the merger against a domestic or foreign non-surviving protected series:

(i) May be asserted against the assets of the domestic or foreign non-surviving protected series that vested in the domestic or foreign acquiring series LLC, the domestic or foreign acquiring protected series, or a domestic or foreign newly created protected series as a result of the merger; and

(ii) Does not otherwise change; and

(3) Subject to subsection (b):

(A) In addition to the remedy stated in subdivision (a)(1) or (a)(2), as applicable, a creditor with a right under § 48-250-404 that existed immediately before the merger and was enforceable under § 48-250-404(b) against an asset of a domestic or foreign non-surviving LLC or domestic or foreign series LLC or a foreign or domestic non-surviving protected series that had not been properly associated at the incurrence date or at the time of the merger may assert the right against:

(i) The asset of the foreign or domestic non-surviving series LLC that vested in the domestic or foreign surviving series LLC or domestic or foreign surviving protected series as a result of the merger; and

(ii) The asset of a domestic or foreign protected series established by the domestic or foreign surviving series LLC as a result of the merger that received the assets of the domestic or foreign non-surviving series LLC or domestic or foreign non-surviving protected series; and

(B) In addition to the remedy stated in subdivision (a)(1) or (a)(2), a creditor with a right that existed immediately before the merger against

the domestic or foreign surviving LLC, domestic or foreign surviving series LLC, or domestic or foreign continuing protected series may assert the right against the assets of a domestic or foreign non-surviving series LLC or a domestic or foreign non-surviving protected series that vested in the domestic or foreign surviving series LLC or domestic or foreign continuing protected series as a result of the merger.

(b) For purposes of §§ 48-250-404(b)(1)(A) and 48-250-404(b)(2)(A), the date on which the merger becomes effective also will be deemed to be an incurrence date.

(c) A merger under § 48-250-604 does not affect the manner in which § 48-250-404 applies to a liability incurred after the merger.

48-250-701. Conversion of a protected series into an LLC.

(a) **Voluntary Conversion.** A protected series of a series LLC with the approval of the series LLC as provided in § 48-250-706 may voluntarily convert into an LLC by:

- (1) Filing with the secretary of state articles of conversion to an LLC; and
- (2) Filing with the secretary of state articles of organization that comply with § 48-249-202.

(b) **Involuntary Conversion.** If the articles of organization or the operating agreement of the series LLC so provide, a protected series of a series LLC can involuntarily be converted into an LLC by action of the series LLC by:

- (1) Filing with the secretary of state articles of conversion to an LLC; and
- (2) Filing with the secretary of state articles of organization that comply with § 48-249-202.

48-250-702. Contents of a certificate of conversion.

The article of conversion of a protected series of an LLC must state the following:

(1) The name of the series LLC of which it was a protected series and its control number issued by the secretary of state;

(2) The name of the protected series, its control number issued by the secretary of state, and the date of the filing of the protected series designation of the protected series by the series LLC;

(3) The name of the LLC formed as a result of the conversion as set forth in the articles of organization filed in accordance with § 48-250-701(a)(2) or § 48-250-701(b)(2);

(4) That all required approvals of the conversion have been obtained by the converting protected series; and

(5) The future effective date or time of the conversion to an LLC, if it is not to be effective upon the filing of the articles of conversion to an LLC and the articles of organization.

48-250-703. Status of converted protected series. The LLC resulting from the conversion of a protected series has the same status as that of an entity that converted into an LLC pursuant to § 48-249-703(c).

48-250-704. Results of conversion.

(a) Obligations and Claims.

(1) The conversion of a protected series into an LLC does not affect any debts, liabilities, and obligations of the protected series incurred prior to its conversion to an LLC, or the personal liability of any person incurred prior to the conversion.

(2) A party with a right under § 48-250-404 that existed immediately before the conversion and was enforceable under § 48-250-404(b) against an asset of the converted protected series that had not been property associated at

the incurrence date or at the time of the conversion may assert the right against the assets of the converted protected series.

(b) The effect of the conversion shall be as provided in § 48-249-703(e) as if the protected series were a "converting other entity."

(c) The converting protected series is not required to wind up its affairs or pay its liabilities and distribute its assets. The conversion does not constitute a dissolution of the protected series, and constitutes a continuation of the existence of the protected series, and constitutes a continuation of the existence of the converting protected series in the form of an LLC.

48-250-705. Membership status of an associated member of converting protected series.

(a) The associated members and associated holders of the converting protected series, unless the associated member or associated holder is associated with another protected series of the series LLC or as otherwise provided in the action approving the conversion, shall automatically be deemed to have withdrawn from the series LLC and shall no longer be a member or a holder of the series LLC and any interests, or portion of interests, in the series LLC shall be canceled. If the former associated members and associated holders of the converting protected series retain an interest in the series LLC, the portion attributable to the converting protected series should be specifically set forth as well as the retained interest.

(b) In a voluntary conversion, the rights of the associated members and associated holders in the converting protected series may be exchanged for or converted into cash, property, or rights, or securities of or interests in the resulting LLC, or may be canceled as agreed to by the members and holders.

(c) In an involuntary conversion, the rights of the associated members and associated holders in the converting protected series automatically shall be converted into membership interests and financial rights in the new LLC in accordance with their interests in the protected series.

48-250-706. Approval of conversion.

(a) Prior to the filing of articles of conversion of a protected series into an LLC with the secretary of state:

(1) The voluntary conversion of a protected series into an LLC must be approved by:

(A) A majority vote of the managers, if the series LLC is a manager-managed LLC; a majority vote of the directors, if the LLC is a director-managed LLC; or a majority vote of the members, if the LLC is a member-managed LLC with the vote of the members determined by percentage interest or equivalent concept or by number in accordance with the method of voting applicable to the series LLC; and

(B) A majority vote of the associated members of the converting protected series determined by percentage interest or equivalent concept or by number in accordance with the method of voting applicable to the series LLC; and

(2)

(A) The involuntary conversion of a protected series must result from approval by a majority vote of the managers of the series LLC, if the series LLC is manager-managed or a majority vote of the directors, if the series LLC is director-managed and regardless of form of management of the series LLC, by a majority vote of the members not associated with the

protected series determined by percentage interest or equivalent concept or by number in accordance with the method of voting applicable to the series LLC; and

(B) The manager, directors, or members so voting for the involuntary conversion are not liable to the associated members and associated holders of the involuntarily converting protected series for so voting.

48-250-707. Articles of conversion and the articles of organization and operating agreement of converted protected series.

(a)

(1) The articles of conversion, the articles of organization, and the operating agreement, as applicable, for the LLC resulting from the voluntary conversion must be approved by the same authorization by the associated members of the protected series as required for the approval of the conversion by such protected series members.

(2) The interest of the associated members and associated holders in the voluntarily converting protected series may be exchanged for or converted into cash, property, or rights or securities of or interests in the resulting LLC, or may be canceled as provided in § 48-250-705(b).

(b) The initial articles of organization and operating agreement, as applicable, for the LLC resulting from the involuntary conversion must be substantively equivalent to the articles of organization of the series LLC without the series provisions and approved by the same vote as required to initiate the involuntary conversion. However:

(1) The initial articles of organization and the initial operating agreement of an involuntarily converted protected series into an LLC cannot restrict the

ability of the associated members to amend the articles of organization or the operating agreement by a majority vote unless a greater vote is required by the Tennessee Revised Limited Liability Company Act, compiled in chapter 249 of this title. The vote may be either by interest or number of members of the LLC using the method of voting found in the series LLC operating agreement;

(2) The associated members of the protected series automatically become members of the LLC upon conversion with the voting and financial rights in the LLC identical to the voting and financial rights such members had in the protected series as associated members. The members are automatically bound by the operating agreement without the need to execute the agreement; and

(3) The associated holders of transferable interests in the protected series automatically become holders of financial rights of the LLC upon conversion and shall have the same financial rights with respect to the LLC as they had in the protected series.

(c)

(1) With respect to a voluntary conversion, the articles of conversion and articles of organization must be executed and filed, or caused to be filed, by an individual designated in the approval of the voluntary conversion.

(2) With respect to an involuntary conversion, the articles of conversion and the articles of organization must be executed by a manager of the series LLC if the series LLC is manager-managed; by the person designated by the board of directors of the series LLC if the series LLC is director-managed; or by the person designated by the members if the series LLC is member-managed. The person signing the articles of organization is not liable to the associated

members and associated holders of the former protected series for the execution and filing of the articles of conversion and articles of organization.

48-250-801. Governing law.

(a) The law of the jurisdiction of formation of a foreign series LLC governs:

(1) The internal affairs of a foreign protected series of the series LLC, including:

(A) Relations among any associated members of the foreign protected series;

(B) Relations between the foreign protected series and:

(i) Any associated member;

(ii) The protected-series manager;

(iii) The protected-series director; or

(iv) Any protected-series transferee;

(C) Relations between any associated member and:

(i) The protected-series manager;

(ii) Any protected-series director; or

(iii) Any protected-series transferee;

(D) The rights and duties of a protected-series manager;

(E) The rights and duties of a protected-series director;

(F) Governance decisions affecting the activities and affairs of the foreign protected series and the conduct of those activities and affairs;

and

(G) Procedures and conditions for becoming an associated member or protected-series transferee;

(2) Relations between the foreign protected series and:

- (A) The series LLC;
- (B) Another foreign protected series of the series LLC;
- (C) A member of the series LLC that is not an associated member of the foreign protected series;
- (D) A foreign protected-series manager that is not a protected-series manager of the protected series;
- (E) A foreign protected-series director that is not a protected-series director of the protected series;
- (F) A foreign protected-series transferee that is not a foreign protected-series transferee of the protected series; and
- (G) A transferee of a transferable interest of the series LLC;

(3) Except as otherwise provided in §§ 48-250-402 and 48-250-404, the liability of a person for a debt, obligation, or other liability of a foreign protected series of a foreign series LLC if the debt, obligation, or liability is asserted solely by reason of the person being or acting as:

- (A) An associated member, protected-series transferee, or protected-series manager of the foreign protected series;
- (B) A member of the series LLC that is not an associated member of the foreign protected series;
- (C) A protected-series manager or a protected-series director of another foreign protected series of the series LLC;
- (D) A protected-series transferee of another foreign protected series of the series LLC;
- (E) A manager of the series LLC;
- (F) A director of the series LLC; or

(G) A transferee of a transferable interest of the series LLC; and
(4) Except as otherwise provided in §§ 48-250-402 and 48-250-404:

(A) The liability of the foreign series LLC for a debt, obligation, or other liability of a foreign protected series of the foreign series LLC if the debt, obligation, or liability is asserted solely by reason of the foreign protected series being a foreign protected series of the foreign series LLC:

(i) Being or acting as a foreign protected-series manager of the foreign protected series;

(ii) Having the foreign protected series manage the foreign series LLC; or

(iii) Owning a protected-series transferable interest of the foreign protected series; and

(B) The liability of a foreign protected series for a debt, obligation, or other liability of the foreign series LLC or another foreign protected series of the series LLC if the debt, obligation, or liability is asserted solely by reason of the foreign protected series:

(i) Being a foreign protected series of the foreign series LLC or having the foreign series LLC or another foreign protected series of the foreign series LLC be or act as foreign protected-series manager of the foreign protected series; or

(ii) Managing the foreign series LLC or being or acting as a foreign protected-series manager of another foreign protected series of the foreign series LLC; and

(b) Section 48-250-403 expressly applies to an asset of a foreign series LLC or foreign protected series in all cases if:

(1) The asset is real or tangible property located in this state;

(2) The claimant is a resident of this state doing business or authorized to do business in this state, or the claim under § 48-250-403 is to enforce a judgment pertaining to a liability arising from the law of this state or an act or omission in this state; and

(3) The asset is not identified in the records of the foreign company or foreign protected series comparable to the manner required by § 48-250-301.

48-250-802. No attribution of activities constituting doing business or for establishing jurisdiction. In determining whether a foreign series LLC or foreign protected series of the foreign series LLC does business in this state or is subject to the personal jurisdiction of the courts of this state:

(1) The activities and affairs of the foreign series LLC are not attributable to a foreign protected series of the foreign series LLC solely by reason of the foreign protected series being a foreign protected series of the foreign series LLC; and

(2) The activities and affairs of a foreign protected series are not attributable to the foreign series LLC or another foreign protected series of the foreign series LLC solely by reason of the foreign protected series being a foreign protected series of the foreign series LLC.

48-250-803. Registration of foreign series LLC.

(a) Except as otherwise provided in this section, the law of this state governing the requirement for and of a certificate of authority for a foreign series LLC to do business in this state, including the consequences of not complying with that law, applies to a foreign series LLC.

(b) In addition to the requirements for a foreign series LLC to apply for a certificate of authority pursuant to § 48-249-204, the application for a certificate of authority must include a statement whether the debts, liabilities, obligations, and expenses incurred, contracted for or otherwise existing with respect to a foreign protected series generally shall be enforceable against the assets of the foreign protected series only and not against the assets of the foreign series LLC or other foreign protected series of the foreign series LLC.

(c) The name of the foreign series LLC applying for a certificate of authority to transact business in this state that complies with § 48-250-202 and may do so by using an assumed name under § 48-249-108, if the assumed name complies with § 48-250-202.

(d) If foreign protected series exists:

(1) The name of each foreign protected series of the series LLC;

(2) The name and registered agent for each of the foreign protected series of the foreign series LLC;

(3) The name and mailing address of an individual who knows the name, business address with street, city, state, and zip code of a manager, director, or officer of each such foreign protected series; and

(4) The signature of the person identified in § 48-250-803(d)(3) attesting to such knowledge.

48-250-804. Registration of foreign protected series.

(a) Except as otherwise provided in this section and subject to §§ 48-250-402 and 48-250-404, the law of this state governing the registration of a foreign LLC to engage in business in this state, including the consequences of not complying with that law, applies to a foreign protected series of a foreign series LLC as if the foreign

protected series were a foreign LLC formed separately from the foreign series LLC and distinct from the foreign series LLC and any other foreign protected series of the foreign series LLC.

(b) An application by a foreign protected series of a foreign series LLC for a certificate of authority must include:

(1) The name of the foreign series LLC;

(2) The name of the protected series and any other name to the extent used in this state;

(3) The jurisdiction of formation of the foreign series LLC and date of formation;

(4) The street address and zip code of its registered office and the name of its registered agent at that office in this state that complies with § 48-250-203;

(5) The street address and zip code of its principal executive office, and a mailing address such as a post office box if the United States postal service does not deliver to the principal executive office; and

(6) If the foreign series LLC has other foreign protected series the application for a certificate of authority:

(A) The name of each other foreign protected series of the series LLC;

(B) The name and registered agent for each of the other foreign protected series of the foreign series LLC;

(C) The name and mailing address of an individual who knows the name, business address with street, city, state and zip code of a manager, director, or officer of each such foreign protected series; and

(D) The signature of the person identified in subdivision (b)(6)(C) attesting to such knowledge.

(c) The name of a foreign protected series applying for a certificate of authority to do business in this state must comply with § 48-250-202 and may do so using an assumed name under § 48-249-108, if the assumed name complies with § 48-250-202.

(d) The requirement in § 48-249-906 to amend an application for a certificate of authority to update information applies to the information required by subsection (b).

48-250-805. Disclosure required when foreign series limited liability company or foreign protected series is a party to proceeding.

(a) Not later than thirty (30) days after becoming a party to a proceeding before a civil, administrative, or other adjudicative tribunal of or located in this state or a tribunal of the United States located in this state:

(1) A foreign series LLC shall disclose to each other party the name and street and mailing address of:

(A) Each foreign protected series of the foreign series LLC; and

(B) Each foreign protected-series manager of and a registered agent for service of process for each foreign protected series of the foreign series LLC; and

(2) A foreign protected series of a foreign series LLC shall disclose to each other party the name and street and mailing address of:

(A) The foreign series LLC and each manager of a manager-managed protected series, each director of a director-managed protected series, or each member of a member-managed protected series, and an agent for service of process for the protected series; and

(B) Any other foreign protected series of the foreign series LLC and each foreign protected-series manager of a manager-managed protected series, each director of a director-managed protected series, or the members of a member-managed protected series, and an agent for service of process for each of the other foreign protected series.

(b) If a foreign series LLC or foreign protected series challenges the personal jurisdiction of the tribunal, the requirement that the foreign series LLC or foreign protected series make disclosure under subsection (a) is tolled until the tribunal determines whether it has personal jurisdiction.

(c) If a foreign series LLC or foreign protected series does not comply with subsection (a), a party to the proceeding may:

- (1) Request the tribunal to treat the noncompliance as a failure to comply with the tribunal's discovery rules; or
- (2) Bring a separate proceeding in the court to enforce subsection (a).

48-250-901. Series LLC may be a professional series LLC. A series LLC may be a professional series LLC if it complies with and satisfies all of the requirements of chapter 249, part 11 of this title for a PLLC and elects professional status in the same manner and meeting the same conditions applicable to a PLLC as modified by § 48-250-902.

48-250-902. Professional series LLC designation. A series LLC that elects professional status may satisfy the name requirements of § 48-249-1108(a)(1) by the names in that subdivision or by the name containing the words "professional limited liability company", "professional LLC", "professional series limited liability company", or the abbreviations of "P.L.C.", "P.L.L.C.", or "L.L.P.C.", or those abbreviations without punctuation.

48-250-903. Protected series of a professional series LLC may elect professional protected series status. A protected series of a professional series limited liability company may elect professional series LLC status if:

(1) The election of professional protected series status is approved by the managers of the series LLC, if the series LLC is manager-managed or by the directors, if the series LLC is director-managed, by a majority vote of the members if the series LLC is member-managed, and by a majority vote of the associated members of the converting protected series determined by percentage interest or equivalent concept or by number in accordance with the method of voting applicable to the series LLC;

(2) The professional series LLC protected series complies with and satisfies all of the requirements of chapter 249, part 11 of this title applicable to a PLLC and elects professional status and meets the same conditions as a PLLC as modified by § 48-250-902(b);

(3) The election of professional status by the protected series is made on the application of designation of professional series and is reflected on the designation of professional series; and

(4) The identity and the election of a protected series that elects professional status is reflected in the articles of organization of the professional series LLC.

48-250-904. Dissolution, conversion, or relocation of professional protected series. Upon the dissolution, conversion, or relocation of a professional protected series, the articles of organization of the series LLC, if the series LLC continues in existence, must be amended to delete any references to the dissolved, converted, or relocated professional protected series.

48-250-905. Merger of professional protected series. In addition to the requirements of §§ 48-250-604 and 48-249-1120, the LLC, series LLC, or protected series into which the professional protected series merges must be a professional LLC, professional series LLC, or professional protected series properly registered and meeting the regulatory requirements of this state upon the consummation of the merger.

48-250-906. Conversion of professional protected series. The conversion of a professional protected series into a professional LLC must meet the requirements of part 7 of this chapter and § 48-249-1120.

48-250-1001. Uniformity of application and construction. In applying and construing this uniform act, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

48-250-1002. Relation to electronic signatures in global and national commerce act. This chapter modifies, limits, or supersedes the Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7001 et seq.), but does not modify, limit, or supersede Section 101(c) of that act (15 U.S.C. § 7001(c)), or authorize electronic delivery of any of the notices described in Section 103(b) of that act (15 U.S.C. § 7003(b)).

48-250-1003. Reservation of power to amend or repeal. The general assembly has the power to amend or repeal all or part of this chapter at any time and all domestic and foreign series LLCs and protected series subject to this chapter shall be governed by the amendment or repeal.

48-250-1004. Transitional provisions.

(a) Before January 1, 2021, this chapter governs only:

(1) A series LLC formed, or a protected series established, on or after January 1, 2020;

(2) A series LLC organized before January 1, 2020, that voluntarily elects to be governed by this chapter by amending its articles of organization with the secretary of state to include the statement "This series LLC elects to be governed by the Tennessee Uniform Protected Series Act." Such election and amendment to the articles of organization shall be approved by the consent required under the series LLC governing documents for an amendment to its articles of organization; and

(3) A foreign series LLC that obtains a certificate of authority in this state prior to January 1, 2020, or whose protected series LLC obtained authority to transact business in this state prior to January 1, 2020, that, effective on or after January 1, 2020, voluntarily elects to be governed by this chapter by applying for a certificate of authority in its own name before January 1, 2020, in the manner provided in § 48-250-803.

(b) If a domestic or foreign series LLC elects under subdivision (a)(2) or (a)(3) to be subject to this chapter:

(1) The election applies to each protected series of the series LLC, whenever established and to each foreign protected series of the foreign series LLC doing business in this state whether having obtained a certificate of authority or not;

(2) The outstanding and future interests in the respective domestic or foreign series LLCs and protected series described in subsection (a) or subdivision (b)(1);

(3) A manager or officer of the domestic or foreign series LLC has the right to sign and deliver to the secretary of state for filing any record necessary to

comply with this chapter, whether the record pertains to the domestic or foreign series LLC, a protected series of the domestic or foreign series LLC, or both; and

(4) A manager or officer of the foreign protected series of a foreign series LLC that has not obtained a certificate of authority has the right to sign and deliver to the secretary of state for filing any record necessary to comply with this chapter with respect to the foreign protected series.

(c) If a foreign series LLC does not elect under subdivision (a)(3) to be subject to this chapter but has not obtained a certificate of authority from this state, a foreign protected series of the foreign LLC may obtain a certificate of authority.

(d) On and after January 1, 2021, this chapter governs all series LLCs and protected series.

(e) On and after January 1, 2021, this chapter governs all foreign series LLCs and all foreign protected series doing business in this state.

48-250-1005. Savings clause. This chapter does not affect an action commenced, proceeding brought, or right accrued before January 1, 2020.

48-250-1006. Severability clause. If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

SECTION 2. Tennessee Code Annotated, Section 48-249-102(25), is amended by deleting the language "entity;" and substituting the language "entity, and includes a protected series;".

SECTION 3. Tennessee Code Annotated, Section 48-249-309(a), is amended by deleting the subsection in its entirety and substituting instead the following language:

(1) For series LLCs formed prior to January 1, 2020, LLC documents may establish, or provide for the establishment of, one (1) or more designated series of members, holders, managers, directors, membership interests, or financial rights having separate rights, powers, or duties, with respect to specified property or obligations of the LLC, or profits and losses associated with specified property or obligations, and any such series may have a separate business purpose or investment objective.

(2) For a series LLC formed before January 1, 2020, that does not elect pursuant to § 48-250-803(b) to have the Tennessee Uniform Protected Series Act, compiled in chapter 250 of this title, apply to it before January 1, 2020, the Tennessee Protected Series Act shall apply on and after January 1, 2020, to such series LLC and each of its protected series. The failure to meet the requirements for the establishment of a series LLC and protected series as set forth in the Tennessee Uniform Protected Series Act shall cause the protected series to be liable for the debts and obligations of the series LLC and all other protected series.

SECTION 4. Tennessee Code Annotated, Section 48-249-1007(a), is amended by adding the following as a new subdivision to be appropriately designated:

Application for a protected series designation	\$20.00 plus \$50.00
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for each associated member of the protected series that is the subject of the application who was not a member of the series LLC at the later of the filing of the organization of the series LLC, the filing of the most recent annual report of the series LLC, or the issuance of the most recent application for a protected series designation for another protected series of the series LLC.

SECTION 5. Tennessee Code Annotated, Section 48-249-1007(d), is amended by deleting the subsection and substituting the following:

Initial and annual fee. The secretary of state shall collect from each domestic LLC or domestic series LLC and each foreign LLC or foreign series LLC that is applying for a certificate of authority or is authorized to transact business in this state, as applicable, an initial filing fee in an amount equal to fifty dollars (\$50.00) multiplied by the number of members of the domestic or foreign LLC, as specified in the articles of organization or application for certificate of authority, as applicable, and each year thereafter an additional filing fee in an amount equal to fifty dollars (\$50.00) multiplied by the number of members of the domestic or foreign LLC, as specified in the annual report. However, the amount of each initial filing fee and annual filing fee required under this subsection (d) shall be no less than three hundred dollars (\$300), and no more than three thousand dollars (\$3,000). Notwithstanding this subsection (d), if the domestic or foreign LLC itself is prohibited by its articles of organization from transacting business in this state, the amount of the initial filing fee or the annual filing fee, as applicable, required under this subsection (d) shall be three hundred dollars (\$300) regardless of the number of members of the domestic or foreign LLC, as specified in the articles of organization or the annual report. The secretary of state shall collect from each domestic or foreign LLC an additional filing fee of twenty dollars (\$20.00) for any annual report that sets forth any change of the registered office or registered agent of the domestic or foreign LLC.

SECTION 6. Tennessee Code Annotated, Section 48-249-1102(5), is amended by deleting the subdivision and substituting the following:

"Professional LLC", "PLLC", "domestic professional LLC", "domestic PLLC", "domestic professional series LLC", "domestic professional SLLC", "PS", "PPS", "professional protected series" that is otherwise designated as "domestic", means a professional LLC, including a professional SLLC, or professional PS that is formed under

this chapter or the Tennessee Uniform Protected Series Act, compiled in chapter 250 of this title, an LLC for which professional LLC and, if applicable, professional protected series status has been elected under this chapter or the Tennessee Uniform Protected Series Act, or where expressly indicated, a professional LLC or professional series that is formed under the Tennessee Limited Liability Company Act, compiled in chapters 201-248 of this title or under the Tennessee Uniform Protected Series Act for which professional LLC or professional protected series status has been elected under the Tennessee Limited Liability Company Act or under the Tennessee Uniform Protected Series Act.

SECTION 7. Tennessee Code Annotated, Section 48-249-1102, is amended by adding the following as a new subdivision to be appropriately designated:

"LLC" means a limited liability company, a foreign limited liability company, a domestic series limited liability company, or a protected series of a domestic series limited liability company;

SECTION 8. Tennessee Code Annotated, Section 67-4-2004(36), is amended by deleting the language "limited partnership or limited liability partnership," and substituting the language "limited partnership, limited liability partnership, or protected series of a series limited liability company,".

SECTION 9. Tennessee Code Annotated, Section 67-4-2004, is amended by adding the following as a new subdivision to be appropriately designated:

"Limited liability company" includes a limited liability company organized under the Tennessee Limited Liability Company Act, compiled in title 48, chapters 201-248; a limited liability company organized under the Tennessee Revised Limited Liability Company Act, compiled in title 48, chapter 249; and a series LLC or protected series

organized under the Tennessee Uniform Protected Series Act, compiled in title 48, chapter 250.

SECTION 10. Tennessee Code Annotated, Section 67-4-2008(d), is amended by adding the following as a new subdivision (d)(3):

(3) For purposes of this subsection (d), the application for designation of a protected series shall be deemed to constitute the articles of organization of the protected series.

SECTION 11. Tennessee Code Annotated, Section 67-4-2008, is amended by adding the following as a new subsection (g):

(g) For purposes of this section, a protected series of a foreign or domestic series limited liability company shall be deemed to be included in the term limited liability company and the associated members of the protected series shall be deemed to be members of such deemed limited liability company.

SECTION 12. Tennessee Code Annotated, Section 67-4-2007(d), is amended by deleting the last sentence of the subsection and substituting the following;

Notwithstanding any law to the contrary, entities that are disregarded for federal income tax purposes except for limited liability companies whose single member is a corporation or a protected series of a series limited liability company whose single member is the series limited liability company, shall not be disregarded for Tennessee excise tax purposes.

SECTION 13. The headings to sections and subsection in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 14. For administrative and rule making purposes, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2020, the public welfare requiring it.