

SENATE FILE NO. SF0036

LLC member and manager liability.

Sponsored by: Joint Corporations, Elections & Political
Subdivisions Interim Committee

A BILL

for

1 AN ACT relating to limited liability companies; specifying
2 standards for imposing liability on members and managers;
3 repealing a related provision; and providing for an
4 effective date.

5

6 *Be It Enacted by the Legislature of the State of Wyoming:*

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8 **Section 1.** W.S. 17-29-304 by creating new subsections
9 (c) and (d) is amended to read:

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11 **17-29-304. Liability of members and managers.**

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13 (c) For purposes of imposing liability on any member
14 or manager of a limited liability company for the debts,
15 obligations or other liabilities of the company, a court

1 shall consider only the following factors no one (1) of
2 which, except fraud, is sufficient to impose liability:

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4 (i) Fraud;

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6 (ii) Inadequate capitalization;

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8 (iii) Failure to observe company formalities as
9 required by law; and

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11 (iv) Intermingling of assets, business
12 operations and finances of the company and the members to
13 such an extent that there is no distinction between them.

14

15 (d) In any analysis conducted under subsection (c) of
16 this section, a court shall not consider factors intrinsic
17 to the character and operation of a limited liability
18 company, including a limited liability company with a
19 single member or manager. Factors intrinsic to the
20 character and operation of a limited liability company
21 include but are not limited to:

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