



LOUISIANA STATE LAW INSTITUTE

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January 28, 2020

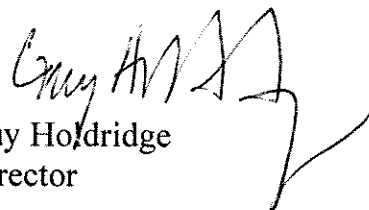
Senator Patrick Page Cortez
President of the Senate
P.O. Box 94183
Baton Rouge, Louisiana 70804

RE: SENATE RESOLUTION NO. 37 OF THE 2019 REGULAR SESSION

Dear Mr. President:

The Louisiana State Law Institute respectfully submits its interim report to the legislature relative to series limited liability companies.

Sincerely,


Guy Holdridge
Director

email cc: David R. Poynter Legislative Research Library
drplibrary@legis.la.gov
Secretary of State, Mr. R. Kyle Ardoin
admin@sos.louisiana.gov

**LOUISIANA STATE LAW INSTITUTE
CORPORATIONS COMMITTEE**

**INTERIM REPORT TO THE LEGISLATURE
IN RESPONSE TO SR NO. 37 OF THE 2019 REGULAR SESSION**

Relative to series limited liability companies

Prepared for the
Louisiana Legislature on

January 28, 2020

Baton Rouge, Louisiana

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CORPORATIONS COMMITTEE**

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Lloyd "Trey" Drury, III, Reporter
Mallory C. Waller, Staff Attorney

SENATE RESOLUTION NO. 37

BY SENATOR GATTI

A RESOLUTION

To urge and request the Louisiana State Law Institute and the Louisiana Tax Institute to study the feasibility of authorizing "series" limited liability companies in Louisiana.

WHEREAS, R.S. 12:1301 et seq., presently authorize and provide requirements for the formation and operation of limited liability companies in Louisiana; and

WHEREAS, the laws of certain other states governing limited liability companies specifically provide for what is known as a "series" limited liability company; and

WHEREAS, such laws in other states authorize a limited liability company to establish one or more designated "series" of members, managers, or limited liability company interests or assets; and

WHEREAS, such laws further provide that a designated "series" may have a separate business purpose or investment objective, and separate rights, powers, or duties with respect to specified property or obligations of the limited liability company or profits and losses associated with the property or obligations; and

WHEREAS, proponents of authorizing "series" limited liability companies maintain that such company is a business entity model offering the potential for enhanced asset, liability, and tax protection, reduction of administrative costs, and treatment under state law as a single entity; and

WHEREAS, state and federal law continues to evolve regarding the legal treatment of "series" limited liability companies; and

WHEREAS, the potential utility and legal treatment of "series" limited liability companies in Louisiana should be studied by the Louisiana State Law Institute and the Louisiana Tax Institute, and any recommendations for authorization or legal treatment presented in the form and content of proposed substantive legislation.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby urge and request that the Louisiana State Law Institute and the Louisiana Tax Institute study the feasibility of authorizing "series" limited liability companies in Louisiana.

SR NO. 37

ENROLLED

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the director of the Louisiana State Law Institute and the board of the Louisiana Tax Institute, and that the Louisiana State Law Institute and the Louisiana Tax Institute report their findings and recommendations to the legislature on or before January 31, 2020.

PRESIDENT OF THE SENATE

January 28, 2020

To: Senator Patrick Page Cortez
President of the Senate
P.O. Box 94183
Baton Rouge, Louisiana 70804

**INTERIM REPORT TO THE LEGISLATURE
IN RESPONSE TO SR NO. 37 OF THE 2019 REGULAR SESSION**

Senate Resolution No. 37 of the 2019 Regular Session urges and requests the Louisiana State Law Institute to study and make recommendations regarding the feasibility of authorizing series limited liability companies in Louisiana. In fulfillment of this request, the Law Institute assigned the resolution to the Corporations Committee, comprised of both professors and practitioners, under the direction of Professor Lloyd L. Drury, III as Reporter.

The Corporations Committee has consulted with the Louisiana Tax Institute and has discussed the feasibility of this revision at its meetings on October 11, 2019 and November 22, 2019. The Committee is currently undertaking a comprehensive review and revision of the Louisiana Limited Liability Company Act pursuant to House Concurrent Resolution No. 141 of the 2015 Regular Session. The Committee intends to fully consider the matter of series limited liability companies as part of this comprehensive review, which has been ongoing since September of 2017.

A final report will be submitted to the Legislature once the Corporations Committee has completed its review of the entire limited liability company statute and has received approval of its recommendations for revision from the Council of the Law Institute.

Respectfully submitted,

Lloyd L. Drury, III, Reporter
Corporations Committee
Louisiana State Law Institute