The yellow highlight is direct lines that are different from the other.

§ 605.0801. Direct action by member.

(1) Subject to subsection (2), a member may maintain a direct action against another member, a manager, or the limited liability company to enforce the member's rights and otherwise protect the member's interests, including rights and interests under the operating agreement or this chapter or arising independently of the membership relationship.
(2)A member maintaining a direct action under this section must plead and prove either:

(a) An actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the limited liability company; or

(b) An actual or threatened injury resulting from a violation of a separate statutory or contractual duty owed by the alleged wrongdoer to the member, even if the injury is in whole or in part the same as the injury suffered or threatened to be suffered by the limited liability company.

§ 607.0750. Direct action by shareholder.

(1)Subject to subsection (2), a shareholder may maintain a direct action against another shareholder, an officer, a director, or the company, to enforce the shareholder's rights and otherwise protect the shareholder's interests, including rights and interests under the articles of incorporation, the bylaws or this chapter or arising independently of the shareholder relationship.
(2)A shareholder maintaining a direct action under this section must plead and prove either:

(a)An actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the corporation; or

(b)An actual or threatened injury resulting from a violation of a separate statutory or contractual duty owed by the alleged wrongdoer to the shareholder, even if the injury is in whole or in part the same as the injury suffered or threatened to be suffered by the corporation.

Derivative Action
§ 605.0802. Derivative action.

A member may maintain a derivative action to enforce a right of a limited liability company if:

(1) The member first makes a demand on the other members in a member-managed limited liability company or the managers of a manager-managed

limited liability company requesting that the managers or other members cause the company to take suitable action to enforce the right, and the managers or other members do not take the action within a reasonable time, not to exceed 90 days; or

(2)A demand under subsection (1) would be futile, or irreparable injury would result to the company by waiting for the other members or the managers to take action to enforce the right in accordance with subsection (1).

§ 605.0803. Proper plaintiff.

A derivative action to enforce a right of a limited liability company may be commenced only by a person who is a member at the time the action is commenced and:

(1) Was a member when the conduct giving rise to the action occurred; or

(2) Whose status as a member devolved on the person by operation of law or pursuant to the terms of the operating agreement from a person who was a member when the conduct giving rise to the action occurred.

§ 607.0741. Standing.

(1)A shareholder may not commence a derivative proceeding unless the shareholder is a shareholder at the time the action is commenced and:

(a)Was a shareholder when the conduct giving rise to the action occurred; or

(b)Whose status as a shareholder devolved on the person through transfer or by operation of law from one who was a shareholder when the conduct giving rise to the action occurred.

(2)In ss. 607.0741-607.0747, the term "shareholder" means a record shareholder, a beneficial shareholder, or an unrestricted voting trust beneficial owner.

- LLCs
  - Member must first make a demand on managers/members to enforce the right, unless demand is futile or waiting would cause irreparable harm.
  - Demand period is capped at 90 days.
  - Proper plaintiff is a member at the time the action is commenced, and either:
    - Was a member when the wrongful conduct occurred, OR
    - Became a member through operation of law (inheritance, divorce decree, etc.) or by terms of the operating agreement.
      - Note: This seems to contradict 605.0802 — since 605.0802 suggests action can be brought while injury is threatened/irreparable harm is pending, but 605.0803 limits it to conduct that has already occurred.
- Corporations
  - No derivative proceeding may be brought unless the shareholder already qualifies (standing).

- The statute doesn't focus on futility/irreparable harm the same way LLCs do; instead, it locks in who qualifies as a plaintiff.
- Proper plaintiff must be a shareholder at the time the action is commenced, and either:
  - Was a shareholder when the conduct giving rise to the action occurred, OR
  - Became a shareholder through transfer/operation of law.

§ 605.0804. Special litigation committee.

(1) If a limited liability company is named as or made a party in a derivative action, the company may appoint a special litigation committee to investigate the claims asserted in the derivative action and determine whether pursuing the action is in the best interest of the company. If the company appoints a special litigation committee, on motion, except for good cause shown, the court may stay any derivative action for the time reasonably necessary to permit the committee to make its investigation. This subsection does not prevent the court from:

(a) Enforcing a person's rights under the company's operating agreement or this chapter, including the person's rights to information under s. 605.0410; or

(b) Exercising its equitable or other powers, including granting extraordinary relief in the form of a temporary restraining order or preliminary injunction.

(2)A special litigation committee must be composed of one or more disinterested and independent individuals, who may be members.

(3)A special litigation committee may be appointed:

(a) In a member-managed limited liability company, by the consent of the members who are not named as parties in the derivative action, who are otherwise disinterested and independent, and who hold a majority of the current percentage or other interest in the profits of the company owned by all of the members of the company who are not named as parties in the derivative action and who are otherwise disinterested and independent;

(b) In a manager-managed limited liability company, by a majority of the managers not named as parties in the derivative action and who are otherwise disinterested and independent; or

(c) Upon motion by the limited liability company, consisting of a panel of one or more disinterested and independent persons.

(4) After appropriate investigation, a special litigation committee shall determine what action is in the best interest of the limited liability company, including continuing, dismissing, or settling the derivative action or taking another action that the special litigation committee deems appropriate.

(5) After making a determination under subsection (4), a special litigation committee shall file or cause to be filed with the court a statement of its determination and its report supporting its determination and shall serve each party to the derivative action with a copy of the determination and report. Upon motion to enforce the

determination of the special litigation committee, the court shall determine whether the members of the committee were disinterested and independent and whether the committee conducted its investigation and made its recommendation in good faith, independently, and with reasonable care, with the committee having the burden of proof. If the court finds that the members of the committee were disinterested and independent and that the committee acted in good faith, independently, and with reasonable care, the court may enforce the determination of the committee. Otherwise, the court shall dissolve any stay of derivative action entered under subsection (1) and allow the derivative action to continue under the control of the plaintiff.

§ 607.0743. Stay of proceedings.

If the corporation commences an inquiry into the allegations made in the demand or complaint, the court may stay any derivative proceeding for such period as the court deems appropriate.

§ 607.0744. Dismissal.

(1)A derivative proceeding may be dismissed, in whole or in part, by the court on motion by the corporation if a group specified in subsection (2) or subsection (3) has determined in good faith, after conducting a reasonable inquiry upon which its conclusions are based, that the maintenance of the derivative proceeding is not in the best interests of the corporation. In all such cases, the corporation has the burden of proof regarding the qualifications, good faith, and reasonable inquiry of the group making the determination.
(2)Unless a panel is appointed pursuant to subsection (3), the determination required in subsection (1) shall be made by:
(a)A majority of qualified directors present at a meeting of the board of directors if the qualified directors constitute a quorum; or
(b)A majority vote of a committee consisting of two or more qualified directors appointed by majority vote of qualified directors present at a meeting of the board of directors, regardless of whether such qualified directors constitute a quorum.
(3)Upon motion by the corporation, the court may appoint a panel consisting of one or more disinterested and independent individuals to make a determination required in subsection (1).
(4)This section does not prevent the court from:
(a)Enforcing a person's rights under the corporation's articles of incorporation or bylaws or this chapter, including the person's rights to information under s. 607.1602; or
(b)Exercising its equitable or other powers, including granting extraordinary relief in the form of a temporary restraining order or preliminary injunction.

- LLC's
    - An SLC (Special Litigation Committee) may be appointed to investigate derivative claims.
    - The SLC may move the court to stay the action for a reasonably necessary time (court must grant unless good cause is shown).
    - During the stay, the court can still: Enforce a member's rights under § 605.0410, or Grant equitable relief (TRO, preliminary injunction).
    - After its investigation, the SLC determines whether to: Continue, dismiss, settle, or take another action.
    - The SLC files its determination with the court.
    - On a motion to enforce the SLC's decision, the court reviews: Whether the SLC was disinterested and independent, Whether it acted in good faith, independently, and with reasonable care.
    - Burden of proof rests on the SLC.
    - If satisfied, the court enforces the SLC's decision. If not, the court dissolves the stay and lets the plaintiff continue the derivative action.
- Corporate
    - The court, not an SLC, may stay a derivative proceeding only if the corporation itself commences an inquiry into the allegations.
    - A derivative proceeding may be dismissed if: A qualified group (board majority, committee of qualified directors, or court-appointed panel) determines in good faith, after reasonable inquiry, that continuation is not in the corporation's best interest.
    - Burden of proof rests on the corporation to show independence, good faith, and reasonable inquiry.
    - While the inquiry is ongoing, the court may: Enforce shareholder rights under the articles, bylaws, or § 607.1602, or Exercise equitable powers (TRO, preliminary injunction).

Settlement and discontinuance
§ 605.0806. Voluntary dismissal or settlement; notice.

(1)A derivative action on behalf of a limited liability company may not be voluntarily dismissed or settled without the court's approval.
(2) If the court determines that a proposed voluntary dismissal or settlement will substantially affect the interest of the limited liability company's members or a class, series, or voting group of members, the court shall direct that notice be given to the members affected. The court may determine which party or parties to the derivative action shall bear the expense of giving the notice.

§ 607.0745. Discontinuance or settlement; notice.

(1)A derivative action on behalf of a corporation may not be discontinued or settled without the court's approval.
(2)If the court determines that a proposed discontinuance or settlement will substantially affect the interest of the corporation's shareholders or a class, series, or voting group of shareholders, the court shall direct that notice be given to the shareholders affected. The court may determine which party or parties to the derivative action shall bear the expense of giving the notice.

- This is the same, other than the language used to show if the court determines dismissal

Fees and proceeds
§ 605.0805. Proceeds and expenses.

(1) Except as otherwise provided in subsection (2):
(a) Proceeds or other benefits of a derivative action under s. 605.0802, whether by judgment, compromise, or settlement, belong to the limited liability company and not to the plaintiff; and
(b) If the plaintiff receives any proceeds, the plaintiff shall remit them immediately to the company.
(2) If a derivative action is successful in whole or in part, the court may award the plaintiff reasonable expenses, including reasonable attorney fees and costs, from the recovery of the limited liability company.

§ 607.0746. Proceeds and expenses.

On termination of the derivative proceeding the court may:
(1)Order the corporation to pay from the amount recovered in the derivative proceeding by the corporation the plaintiff's reasonable expenses, including reasonable attorney fees and costs, incurred in the derivative proceeding if it finds that, in the derivative proceeding, the plaintiff was successful in whole or in part; or
(2)Order the plaintiff to pay any of the defendant's reasonable expenses, including reasonable attorney fees and costs, incurred in defending the proceeding if it finds that the proceeding was commenced or maintained without reasonable cause or for an improper purpose.

- LLC's
  - If the plaintiff loses, the court does not require them to pay the LLC's expenses.
  - If the plaintiff wins, the court may:
    - Award the plaintiff reasonable expenses, including attorneys' fees and costs, payable by the LLC.

        - Require the plaintiff to turn over any proceeds, judgment, compromise, or settlement benefits to the LLC.
- Corporations
    - If the plaintiff wins, the court may:
        - Order the corporation to pay the plaintiff's reasonable expenses, including attorneys' fees and costs.
    - If the plaintiff's case is found to have been brought without reasonable cause or for an improper purpose, the court may order the plaintiff to pay the corporation's reasonable expenses. (This is the opposite of LLC rules, where no such penalty exists.)

Standards and liability
§ 605.04091. Standards of conduct for members and managers.

(1) Each manager of a manager-managed limited liability company and member of a member-managed limited liability company owes fiduciary duties of loyalty and care to the limited liability company and members of the limited liability company.
(2) The duty of loyalty includes:
(a) Accounting to the limited liability company and holding as trustee for it any property, profit, or benefit derived by the manager or member, as applicable:
1.In the conduct or winding up of the company's activities and affairs;
2.From the use by the member or manager of the company's property; or
3.From the appropriation of a company opportunity;
(b) Refraining from dealing with the company in the conduct or winding up of the company's activities and affairs as, or on behalf of, a person having an interest adverse to the company, except to the extent that a transaction satisfies the requirements of s. 605.04092; and
(c) Refraining from competing with the company in the conduct of the company's activities and affairs before the dissolution of the company.
(3) The duty of care in the conduct or winding up of the company's activities and affairs is to refrain from engaging in grossly negligent or reckless conduct, willful or intentional misconduct, or a knowing violation of law.
(4)A manager of a manager-managed limited liability company and a member of a member-managed limited liability company shall discharge their duties and obligations under this chapter or under the operating agreement and exercise any rights consistently with the obligation of good faith and fair dealing.
(5)A manager of a manager-managed limited liability company or a member of a member-managed limited liability company does not violate a duty or obligation under this chapter or under the operating agreement solely because the manager's or member's conduct furthers the manager's or member's own interest.
(6) In discharging his, her, or its duties, a manager of a manager-managed limited liability company or a member of a member-managed limited liability company is

entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:

(a) One or more members or employees of the limited liability company whom the manager or member reasonably believes to be reliable and competent in the matters presented.

(b) Legal counsel, public accountants, or other persons as to matters the manager or member reasonably believes are within the persons' professional or expert competence.

(c)A committee of managers or members of which the affected manager or member is not a participant, if the manager or member reasonably believes the committee merits confidence.

(7)A manager or member, as applicable, is not acting in good faith if the manager or member has knowledge concerning the matter in question which makes reliance otherwise authorized under subsection (6) unwarranted.

(8) In discharging his, her, or its duties, a manager of a manager-managed limited liability company or member of a member-managed limited liability company may consider factors that the manager or member deems relevant, including the long-term prospects and interests of the limited liability company and its members, and the social, economic, legal, or other effects of any action on the employees, suppliers, and customers of the limited liability company, the communities and society in which the limited liability company operates, and the economy of this state and the nation.

(9) This section applies to a person winding up the limited liability company activities and affairs as the legal representative of the last surviving member as if such person were subject to this section.

§ 607.0830. General standards for directors.

(1) Each member of the board of directors, when discharging the duties of a director, including in discharging his or her duties as a member of a board committee, must act:

(a) In good faith; and

(b) In a manner he or she reasonably believes to be in the best interests of the corporation.

(2) The members of the board of directors or a board committee, when becoming informed in connection with a decisionmaking function or devoting attention to an oversight function, shall discharge their duties with the care that an ordinary prudent person in a like position would reasonably believe appropriate under similar circumstances.

(3) In discharging board or board committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on the performance by any of the persons specified in paragraph (5)(a) or paragraph (5)(b) to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one or more of the board's functions that are delegable under applicable law.

(4) In discharging board or board committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by any of the persons specified in subsection (5).
(5) A director is entitled to rely, in accordance with subsection (3) or subsection (4), on:
(a) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;
(b) Legal counsel, public accountants, or other persons retained by the corporation or by a committee of the board of the corporation as to matters involving skills or expertise the director reasonably believes are matters:
1. Within the particular person's professional or expert competence; or
2. As to which the particular person merits confidence; or
(c) A committee of the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence.
(6) In discharging board or board committee duties, a director may consider such factors as the director deems relevant, including the long-term prospects and interests of the corporation and its shareholders, and the social, economic, legal, or other effects of any action on the employees, suppliers, customers of the corporation or its subsidiaries, the communities and society in which the corporation or its subsidiaries operate, and the economy of the state and the nation.

- LLC
  - Members/managers owe two primary fiduciary duties: Duty of Loyalty, Duty of Care
  - The operating agreement may alter or even eliminate certain duties.
  - However, the duty of good faith and fair dealing cannot be waived or eliminated.
- Corporations
  - Directors must: Act in good faith, Act in a manner reasonably believed to be in the best interest of the corporation
  - Fiduciary duties in corporations are more rigid and cannot be eliminated by agreement.

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§ 607.0834. Liability for unlawful distributions.
(1) A director who votes for or assents to a distribution made in violation of s. 607.06401, s. 607.1410(1), or the articles of incorporation is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating s. 607.06401, s. 607.1410(1), or the articles of incorporation if it is established that the director did not perform his or her duties in

compliance with s. 607.0830. In any proceeding commenced under this section, a director has all of the defenses ordinarily available to a director.
(2) A director held liable under subsection (1) for an unlawful distribution is entitled to contribution:
(a) From every other director who could be liable under subsection (1) for the unlawful distribution; and
(b) From each shareholder for the amount the shareholder accepted knowing the distribution was made in violation of s. 607.06401 or the articles of incorporation.
(3) A proceeding under this section is barred unless it is commenced:
(a) Within 2 years after the date on which the effect of the distribution was measured under s. 607.06401(6) or (8);
(b) Within 2 years after the date as of which the violation of s. 607.06401 occurred as the consequence of disregard of a restriction in the articles of incorporation;
(c) Within 2 years after the date on which the distribution of assets to shareholders under s. 607.1410(1) was made; or
(d) With regard to contribution or recoupment under subsection (2), within 1 year after the liability of the claimant has been finally adjudicated under subsection (1)

§ 605.0406. Liability for improper distributions.

(1) Except as otherwise provided in subsection (2), if a member of a member-managed limited liability company or manager of a manager-managed limited liability company consents to a distribution made in violation of s. 605.0405 and, in consenting to the distribution, fails to comply with s. 605.04091, the member or manager is personally liable to the company for the amount of the distribution which exceeds the amount that could have been distributed without the violation of s. 605.0405.
(2) To the extent the operating agreement of a member-managed limited liability company expressly relieves a member of the authority and responsibility to consent to distributions and imposes that authority and responsibility on one or more other members, the liability in subsection (1) applies to the other members and not the member that the operating agreement relieves of authority and responsibility.
(3)A person who receives a distribution knowing that the distribution violated s. 605.0405 is personally liable to the limited liability company, but only to the extent that the distribution received by the person exceeded the amount that could have been properly paid under s. 605.0405.
(4)A person against whom an action is commenced because that person is or may be liable under subsection (1) may:

(a) Implead another person who is or may be liable under subsection (1) and seek to enforce a right of contribution from the person; or
(b) Implead a person who received a distribution in violation of subsection (3) and seek to enforce a right of contribution from an impleaded person in the amount the person received in violation of subsection (3).

(5) An action under this section is barred unless commenced within 2 years after the distribution.

- LLC

- A person against whom an action is commenced may implead (bring in) another person who is or may be liable, including the person who received the distribution.
- To be held liable, the member or manager must have consented to the distribution (not merely voted or assented, as in corporations).

- Corporations
  - If a director is held liable for an unlawful distribution, the director may seek contribution (compensation) from:
    - Other directors who voted for or assented to the distribution, and
    - Shareholders who knowingly received the improper distribution.

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§ 605.0408. Reimbursement, indemnification, advancement, and insurance.

(1)A limited liability company may reimburse a member of a member-managed company or a manager of a manager-managed company for any payment made by the member or manager in the course of the member's or manager's activities on behalf of the company if the member or manager complied with ss. 605.0407-605.04074, this section, and s. 605.04091 in making the payment.

(2)A limited liability company may indemnify and hold harmless a person with respect to a claim or demand against the person and a debt, obligation, or other liability incurred by the person by reason of the person's former or present capacity as a member or manager if the claim, demand, debt, obligation, or other liability does not arise from the person's breach of s. 605.0405, s. 605.0407, s. 605.04071, s. 605.04072, s. 605.04073, s. 605.04074, or s. 605.04091.

(3) In the ordinary course of its activities and affairs, a limited liability company may advance reasonable expenses, including attorney fees and costs, incurred by a person in connection with a claim or demand against the person by reason of the person's former or present capacity as a member or manager if the person promises to repay the company in the event that the person ultimately is determined not to be entitled to be indemnified under subsection (2).

(4)A limited liability company may purchase and maintain insurance on behalf of a member or manager of the company against liability asserted against or incurred by the member or manager in that capacity or arising from that status even if:

(a) Under s. 605.0105(3)(g), the operating agreement could not eliminate or limit the person's liability to the company for the conduct giving rise to the liability; and

(b) Under s. 605.0105(3)(p), the operating agreement could not provide for indemnification for the conduct giving rise to the liability.

§ 607.0851. Permissible indemnification.

(1) Except as otherwise provided in this section and in s. 607.0859, and not in limitation of indemnification allowed under s. 607.0858(1), a corporation may

indemnify an individual who is a party to a proceeding because the individual is or was a director or officer against liability incurred in the proceeding if:
(a) The director or officer acted in good faith;
(b) The director or officer acted in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation; and
(c) In the case of any criminal proceeding, the director or officer had no reasonable cause to believe his or her conduct was unlawful.
(2) The conduct of a director or officer with respect to an employee benefit plan for a purpose the director or officer reasonably believed to be in the best interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies the requirement of paragraph (1)(b).
(3) The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the director or officer did not meet the relevant standard of conduct described in this section.
(4) Unless ordered by a court under s. 607.0854(1)(c), a corporation may not indemnify a director or an officer in connection with a proceeding by or in the right of the corporation except for expenses and amounts paid in settlement not exceeding, in the judgment of the board of directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof, where such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation.

§ 607.0852. Mandatory indemnification.
A corporation must indemnify an individual who is or was a director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the individual was a party because he or she is or was a director or officer of the corporation against expenses incurred by the individual in connection with the proceeding.

§ 607.0853. Advance for expenses.
(1) A corporation may, before final disposition of a proceeding, advance funds to pay for or reimburse expenses incurred in connection with the proceeding by an individual who is a party to the proceeding because that individual is or was a director or an officer if the director or officer delivers to the corporation a signed written undertaking of the director or officer to repay any funds advanced if:
(a) The director or officer is not entitled to mandatory indemnification under s. 607.0852; and
(b) It is ultimately determined under s. 607.0854 or s. 607.0855 that the director or officer has not met the relevant standard of conduct described in s. 607.0851 or the director or officer is not entitled to indemnification under s. 607.0859.

(2) The undertaking required by paragraph (1)(b) must be an unlimited general obligation of the director or officer but need not be secured and may be accepted without reference to the financial ability of the director or officer to make repayment.
(3) Authorizations under this section must be made:
(a) By the board of directors:
1. If there are two or more qualified directors, by a majority vote of all of the qualified directors (a majority of whom shall for such purpose constitute a quorum) or by a majority of the members of a committee appointed by such vote and comprised of two or more qualified directors; or
2. If there are fewer than two qualified directors, by the vote necessary for action by the board of directors under s. 607.0824(3), in which authorization vote directors who are not qualified directors may participate; or
(b) By the shareholders, but shares owned by or voted under the control of a director or officer who at the time of the authorization is not a qualified director or is an officer who is a party to the proceeding may not be counted as a vote in favor of the authorization.

§ 607.0854. Court-ordered indemnification and advance for expenses.
(1) Unless the corporation's articles of incorporation provide otherwise, notwithstanding the failure of a corporation to provide indemnification, and despite any contrary determination of the board of directors or of the shareholders in the specific case, a director or officer of the corporation who is a party to a proceeding because he or she is or was a director or officer may apply for indemnification or an advance for expenses, or both, to a court having jurisdiction over the corporation which is conducting the proceeding, or to a circuit court of competent jurisdiction. After receipt of an application and after giving any notice it considers necessary, the court may:
(a) Order indemnification if the court determines that the director or officer is entitled to mandatory indemnification under s. 607.0852;
(b) Order indemnification or advance for expenses if the court determines that the director or officer is entitled to indemnification or advance for expenses pursuant to a provision authorized by s. 607.0858(1); or
(c) Order indemnification or advance for expenses if the court determines, in view of all the relevant circumstances, that it is fair and reasonable to indemnify the director or officer or to advance expenses to the director or officer, even if he or she has not met the relevant standard of conduct set forth in s. 607.0851(1), has failed to comply with s. 607.0853, or was adjudged liable in a proceeding referred to in s. 607.0859. If the director or officer was adjudged liable, indemnification shall be limited to expenses incurred in connection with the proceeding.
(2) If the court determines that the director or officer is entitled to indemnification under paragraph (1)(a) or to indemnification or advance for expenses under paragraph (1)(b), it shall also order the corporation to pay the director's or officer's expenses incurred in connection with obtaining court-ordered indemnification or advance for expenses. If the court determines that the director or officer is entitled to

indemnification or advance for expenses under paragraph (1)(c), it may also order the corporation to pay the director's or officer's expenses to obtain court-ordered indemnification or advance for expenses.

§ 607.0855. Determination and authorization of indemnification.
(1) Unless ordered by a court under s. 607.0854(1)(c), a corporation may not indemnify a director or officer under s. 607.0851 unless authorized for a specific proceeding after a determination has been made that indemnification is permissible because the director or officer has met the relevant standard of conduct set forth in s. 607.0851.
(2) The determination shall be made:
(a) If there are two or more qualified directors, by the board of directors by a majority vote of all of the qualified directors, a majority of whom shall for such purposes constitute a quorum, or by a majority of the members of a committee of two or more qualified directors appointed by such a vote;
(b) By independent special legal counsel:
1. Selected in the manner prescribed by paragraph (a); or
2. If there are fewer than two qualified directors, selected by the board of directors, in which selection directors who are not qualified directors may participate; or
(c) By the shareholders, but shares owned by or voted under the control of a director or officer who, at the time of the determination, is not a qualified director or an officer who is a party to the proceeding may not be counted as votes in favor of the determination.
(3) Authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible, except that if the determination of permissibility has been made by independent special legal counsel under paragraph (2)(b), any authorization of indemnification associated with such determination shall be made by either such independent special legal counsel or by those who otherwise would be entitled to select independent special legal counsel under paragraph (2)(b).

§ 607.0857. Insurance.
A corporation shall have the power to purchase and maintain insurance on behalf of and for the benefit of an individual who is or was a director or officer of the corporation, or who, while a director or officer of the corporation, is or was serving at the corporation's request as a director, officer, manager, member, partner, trustee, employee, or agent of another domestic or foreign corporation, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise or entity, against liability asserted against or incurred by the individual in that capacity or arising from his or her status as a director or officer, whether or not the corporation would have power to indemnify or advance expenses to the individual against the same liability under this chapter.

§ 607.0858. Variation by corporate action; application of ss. 607.0850-607.0859.

(1) The indemnification provided pursuant to ss. 607.0851 and 607.0852 and the advancement of expenses provided pursuant to s. 607.0853 are not exclusive, and a corporation may, by a provision in its articles of incorporation, bylaws, or any agreement, or by vote of shareholders or disinterested directors, or otherwise, obligate itself in advance of the act or omission giving rise to a proceeding to provide any other or further indemnification or advancement of expenses to any of its directors or officers. Any such obligatory provision shall be deemed to satisfy the requirements for authorization referred to in ss. 607.0853(3) and 607.0855(3). Any such provision that obligates the corporation to provide indemnification to the fullest extent permitted by law shall be deemed to obligate the corporation to advance funds to pay for or reimburse expenses in accordance with s. 607.0853 to the fullest extent permitted by law, unless the provision specifically provides otherwise.
(2) A right of indemnification or to advance for expenses created by this chapter or under subsection (1) and in effect at the time of an act or omission may not be eliminated or impaired with respect to such act or omission by an amendment of the articles of incorporation or bylaws or a resolution of the directors or shareholders, adopted after the occurrence of such act or omission, unless, in the case of a right created under subsection (1), the provision creating such right and in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such act or omission has occurred.
(3) Any provision pursuant to subsection (1) shall not obligate the corporation to indemnify or advance for expenses to a director or officer of a predecessor of the corporation, pertaining to conduct with respect to the predecessor, unless otherwise specifically provided. Any provision for indemnification or advance for expenses in the articles of incorporation, bylaws, or a resolution of the board of directors or shareholders of a predecessor of the corporation in a merger or in a contract to which the predecessor is a party, existing at the time the merger takes effect, shall be governed by s. 607.1106(1)(d).
(4) Subject to subsection (2), a corporation may, by a provision in its articles of incorporation, limit any of the rights to indemnification or advance for expenses created by or pursuant to this chapter.
(5) Sections 607.0850-607.0859 do not limit a corporation's power to pay or reimburse expenses incurred by a director, an officer, an employee, or an agent in connection with appearing as a witness in a proceeding at a time when he or she is not a party.
(6) Sections 607.0850-607.0859 do not limit a corporation's power to indemnify, advance expenses to, or provide or maintain insurance on behalf of or for the benefit of an individual who is or was an employee or agent.

§ 607.0859. Overriding restrictions on indemnification.
(1) Unless ordered by a court under s. 607.0854(1)(c), a corporation may not indemnify a director or officer under s. 607.0851 or s. 607.0858 or advance expenses to a director or officer under s. 607.0853 or s. 607.0858 if a judgment or other final adjudication establishes that his or her actions, or omissions to act, were material to the cause of action so adjudicated and constitute:

(a) Willful or intentional misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder;
(b) A transaction in which a director or officer derived an improper personal benefit;
(c) A violation of the criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful; or
(d) In the case of a director, a circumstance under which the liability provisions of s. 607.0834 are applicable.
(2) A corporation may provide indemnification or advance expenses to a director or an officer only as allowed by ss. 607.0850-607.0859.

Category	LLC	Corporation
Who Can Be Protected	Members and managers	Directors, officers, sometimes employees/agents
Reimbursement	Allowed if fiduciary duties followed	Handled under indemnification if in good faith & best interest
Permissible Indemnification	Allowed unless statutory fiduciary duty violated	Allowed if good faith, in best interest, lawful intent
Mandatory Indemnification	Not mandatory	Mandatory if wholly successful in defense
Advancement of Expenses	Allowed with repayment promise	Allowed with repayment promise + formal authorization
Insurance	Allowed even if indemnification barred	Broad insurance scope incl. service at corp request
Court-Ordered Indemnificatior	Not covered in statute	Court can order indemnification or advancement
Decision-Making Authority	Operating agreement governs	Formal procedures required
Variation by Agreement	Limited expansion; cannot eliminate liability for bad acts	Broad pre-commitment via bylaws/articles
Restrictions / Bars	No indemnity for fiduciary breaches	No indemnity for misconduct, crime, improper benefit

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§ 605.0711. Known claims against dissolved limited liability company.

(1)A dissolved limited liability company or successor entity, as defined in subsection (14), may dispose of the known claims against it by following the procedures described in subsections (2)-(7).
(2)A dissolved limited liability company or successor entity shall deliver to each of its known claimants written notice of the dissolution after its effective date. The written notice must do the following:

(a) Provide a reasonable description of the claim that the claimant may be entitled to assert.
(b) State whether the claim is admitted or not admitted, in whole or in part, and, if admitted:
1.The amount that is admitted, which may be as of a given date; and
2.An interest obligation if fixed by an instrument of indebtedness.
(c) Provide a mailing address to which a claim may be sent.
(d) State the deadline, which may not be less than 120 days after the effective date of the written notice, by which confirmation of the claim must be delivered to the dissolved limited liability company or successor entity.

(e) State that the dissolved limited liability company or successor entity may make distributions to other claimants and to the members or transferees of the limited liability company or persons interested without further notice.

(3)A dissolved limited liability company or successor entity may reject, in whole or in part, a claim made by a claimant pursuant to this subsection by mailing notice of the rejection to the claimant within 90 days after receipt of the claim and, in all events, at least 150 days before the expiration of the 3-year period after the effective date of dissolution. A notice sent by the dissolved limited liability company or successor entity pursuant to this subsection must be accompanied by a copy of this section.

(4)A dissolved limited liability company or successor entity electing to follow the procedures described in subsections (2) and (3) shall also give notice of the dissolution of the limited liability company to persons who have known claims that are contingent upon the occurrence or nonoccurrence of future events or otherwise conditional or unmatured and request that the persons present the claims in accordance with the terms of the notice. The notice must be in substantially the same form and sent in the same manner as described in subsection (2).

(5)A dissolved limited liability company or successor entity shall offer a claimant whose known claim is contingent, conditional, or unmatured such security as the limited liability company or entity determines is sufficient to provide compensation to the claimant if the claim matures. The dissolved limited liability company or successor entity shall deliver such offer to the claimant within 90 days after receipt of the claim and, in all events, at least 150 days before expiration of 3 years after the effective date of dissolution. If the claimant that is offered the security does not deliver in writing to the dissolved limited liability company or successor entity a notice rejecting the offer within 120 days after receipt of the offer for security, the claimant is deemed to have accepted such security as the sole source from which to satisfy his, her, or its claim against the limited liability company.

(6)A dissolved limited liability company or successor entity that gives notice in accordance with subsections (2) and (4) shall petition the circuit court in the applicable county to determine the amount and form of security that are sufficient to provide compensation to a claimant that has rejected the offer for security made pursuant to subsection (5).

(7)A dissolved limited liability company or successor entity that has given notice in accordance with subsection (2) shall petition the circuit court in the applicable county to determine the amount and form of security that will be sufficient to provide compensation to claimants whose claims are known to the limited liability company or successor entity but whose identities are unknown. The court shall appoint a guardian ad litem to represent all claimants whose identities are unknown in a proceeding brought under this subsection. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, shall be paid by the petitioner in the proceeding.

(8) The giving of notice or making of an offer pursuant to this section does not revive a claim then barred, extend an otherwise applicable statute of limitations, or constitute acknowledgment by the dissolved limited liability company or successor

entity that a person to whom such notice is sent is a proper claimant, and does not operate as a waiver of a defense or counterclaim in respect of a claim asserted by a person to whom such notice is sent.

(9)A dissolved limited liability company or successor entity that followed the procedures described in subsections (2)-(7) must:

(a) Pay the claims admitted or made and not rejected in accordance with subsection (3);

(b) Post the security offered and not rejected pursuant to subsection (5);

(c) Post a security ordered by the circuit court in a proceeding under subsections (6) and (7); and

(d) Pay or make provision for all other known obligations of the limited liability company or the successor entity.

If there are sufficient funds, such claims or obligations must be paid in full, and a provision for payments must be made in full. If there are insufficient funds, the claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of funds that are legally available therefor. Remaining funds shall be distributed to the members and transferees of the dissolved limited liability company. However, the distribution may not be made before the expiration of 150 days after the date of the last notice of a rejection given pursuant to subsection (3). In the absence of actual fraud, the judgment of the managers of a dissolved manager-managed limited liability company or the members of a dissolved member-managed limited liability company, or other person or persons winding up the limited liability company or the governing persons of the successor entity, as to the provisions made for the payment of all obligations under paragraph (d), is conclusive.

(10)A dissolved limited liability company or successor entity that has not followed the procedures described in subsections (2) and (3) shall pay or make reasonable provision to pay all known claims and obligations, including all contingent, conditional, or unmatured claims known to the dissolved limited liability company or the successor entity and all claims that are known to the dissolved limited liability company or the successor entity but for which the identity of the claimant is unknown. If there are sufficient funds, the claims must be paid in full, and a provision made for payment must be made in full. If there are insufficient funds, the claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of funds that are legally available. Remaining funds shall be distributed to the members and transferees of the dissolved limited liability company.

(11)A member or transferee of a dissolved limited liability company to which the assets were distributed pursuant to subsection (9) or subsection (10) is not liable for a claim against the limited liability company in an amount in excess of the member's or transferee's pro rata share of the claim or the amount distributed to the member or transferee, whichever is less.

(12)A member or transferee of a dissolved limited liability company to whom the assets were distributed pursuant to subsection (9) is not liable for a claim against the

limited liability company, which claim is known to the limited liability company or successor entity and on which a proceeding is not begun before the expiration of 3 years after the effective date of dissolution.

(13) The aggregate liability of a person for claims against the dissolved limited liability company arising under this section or s. 605.0710 may not exceed the amount distributed to the person in dissolution.

(14) As used in this section and s. 605.0712, the term "successor entity" includes a trust, receivership, or other legal entity governed by the laws of this state to which the remaining assets and liabilities of a dissolved limited liability company are transferred and which exists solely for the purposes of prosecuting and defending suits by or against the dissolved limited liability company, thereby enabling the dissolved limited liability company to settle and close the activities and affairs of the dissolved limited liability company, to dispose of and convey the property of the dissolved limited liability company, to discharge the liabilities of the dissolved limited liability company, and to distribute to the dissolved limited liability company's members or transferees any remaining assets, but not for the purpose of continuing the activities and affairs for which the dissolved limited liability company was organized.

(15) As used in this section and ss. 605.0712 and 605.0713, the term "applicable county" means the county in this state in which the limited liability company's principal office is located or was located at the effective date of dissolution; if the company has, and at the effective date of dissolution had, no principal office in this state, then in the county in which the company has, or at the effective date of dissolution had, an office in this state; or if none in this state, then in the county in which the company's registered office is or was last located.

(16) As used in this section, the term "known claim" or "claim" includes unliquidated claims, but does not include a contingent liability that has not matured so that there is no immediate right to bring suit or a claim based on an event occurring after the effective date of dissolution.

§ 605.0712. Other claims against a dissolved limited liability company.

(1)A dissolved limited liability company or successor entity, as defined in s. 605.0711(14), may choose to execute one of the following procedures to resolve payment of unknown claims:

(a) The company or successor entity may file notice of its dissolution with the department on the form prescribed by the department and request that persons who have claims against the company which are not known to the company or successor entity present them in accordance with the notice. The notice must:

1.State the name of the company and the date of dissolution;

2.Describe the information that must be included in a claim, state that the claim must be in writing, and provide a mailing address to which the claim may be sent; and

3.State that a claim against the company is barred unless an action to enforce the claim is commenced within 4 years after the filing of the notice.

(b) The company or successor entity may publish notice of its dissolution and request persons who have claims against the company to present them in accordance with the notice. The notice must:

1.Be published in a newspaper of general circulation in the county in which the dissolved limited liability company's principal office is located or, if the principal office is not located in this state, in the county in which the office of the company's registered agent is or was last located;

2.Describe the information that must be included in a claim, state that the claim must be in writing, and provide a mailing address to which the claim is to be sent; and

3.State that a claim against the company is barred unless an action to enforce the claim is commenced within 4 years after publication of the notice.

(2) If a dissolved limited liability company complies with paragraph (1)(a) or paragraph (1)(b), unless sooner barred by another statute limiting actions, the claim of each of the following claimants is barred unless the claimant commences an action to enforce the claim against the dissolved limited liability company within 4 years after the publication date of the notice:

(a)A claimant that did not receive notice in a record under s. 605.0711;

(b)A claimant whose claim was timely sent to the dissolved limited liability company but not acted on; and

(c)A claimant whose claim is contingent at or based on an event occurring after the effective date of dissolution.

(3)A claim that is not barred by this section or another statute limiting actions may be enforced:

(a) Against a dissolved limited liability company, to the extent of its undistributed assets; and

(b) Except as otherwise provided in s. 605.0713, if assets of the limited liability company have been distributed after dissolution, against a member or transferee to the extent of that person's proportionate share of the claim or of the company's assets distributed to the member or transferee after dissolution, whichever is less, but a person's total liability for all claims under this subsection may not exceed the total amount of assets distributed to the person after dissolution.

(4) This section does not extend an otherwise applicable statute of limitations.

§ 607.1406. Known claims against dissolved corporation.

(1) A dissolved corporation may dispose of the known claims against it by giving written notice that satisfies the requirements of subsection (2) to its known claimants at any time after the effective date of the dissolution, but no later than the date that is 270 days before the date which is 3 years after the effective date of the dissolution.

(2) The written notice must:

(a) State the name of the corporation that is the subject of the dissolution;

(b) State that the corporation is the subject of a dissolution and the effective date of the dissolution;

(c) Specify the information that must be included in a claim;
(d) State that a claim must be in writing and provide a mailing address where a claim may be sent;
(e) State the deadline, which may not be fewer than 120 days after the date the written notice is received by the claimant, by which the dissolved corporation must receive the claim;
(f) State that the claim will be barred if not received by the deadline;
(g) State that the dissolved corporation may make distributions thereafter to other claimants and to the dissolved corporation's shareholders or persons interested without further notice; and
(h) Be accompanied by a copy of ss. 607.1405-607.1410.
(3) A dissolved corporation may reject, in whole or in part, a claim submitted by a claimant and received prior to the deadline specified in the written notice given pursuant to subsections (1) and (2) by mailing notice of the rejection to the claimant on or before the date that is the earlier of 90 days after the dissolved corporation receives the claim or the date that is 150 days before the date which is 3 years after the effective date of the dissolution. A rejection notice sent by the dissolved corporation pursuant to this subsection must state that the claim will be barred unless the claimant, not later than 120 days after the claimant receives the rejection notice, commences an action in the circuit court in the applicable county against the dissolved corporation to enforce the claim.
(4) A claim against the dissolved corporation is barred:
(a) If a claimant who was given written notice pursuant to subsections (1) and (2) does not deliver the claim to the dissolved corporation by the specified deadline; or
(b) If the claim was timely received by the dissolved corporation but was timely rejected by the dissolved corporation under subsection (3) and the claimant does not commence the required action in the applicable county within 120 days after the claimant receives the rejection notice.
(5)
(a) For purposes of ss. 607.1401-607.1410, the term "known claims" means any claim or liability that, as of the date of the giving of the written notice contemplated by subsections (1) and (2):
1. Has matured sufficiently on or prior to the effective date of the dissolution to be legally capable of assertion against the dissolved corporation; or
2. Is unmatured as of the effective date of the dissolution but will mature in the future solely based on the passage of time.
(b) The term "known claims" does not include a claim based on an event occurring after the effective date of the dissolution or a claim that is a contingent claim.
(6) The giving of any notice pursuant to this section does not revive any claim then barred or constitute acknowledgment by the dissolved corporation that any person to whom such notice is sent is a proper claimant and does not operate as a waiver of any defense or counterclaim in respect of any claim asserted by any person to whom such notice is sent.

§ 607.1407. Other claims against dissolved corporation.
(1) A dissolved corporation may choose to execute one of the following procedures to resolve any claims other than known claims:
(a) A dissolved corporation may file notice of its dissolution with the department on the form prescribed by the department and request that persons with claims against the corporation which are not known to the dissolved corporation present them in accordance with the notice. The notice must:
1. State the name of the corporation that is the subject of the dissolution;
2. State that the corporation is the subject of a dissolution and the effective date of the dissolution;
3. Specify the information that must be included in a claim;
4. State that a claim must be in writing and provide a mailing address where a claim may be sent; and
5. State that a claim against the corporation under this subsection will be barred unless a proceeding to enforce the claim is commenced within 4 years after the filing of the notice.
(b) A dissolved corporation may, within 10 days after filing articles of dissolution with the department, publish a "Notice of Corporate Dissolution." The notice shall appear once a week for 2 consecutive weeks in a newspaper of general circulation in a county in the state in which the corporation has its principal office, if any, or, if none, in a county in the state in which the corporation owns real or personal property. Such newspaper shall meet the requirements as are prescribed by law for such purposes. The notice must:
1. State the name of the corporation that is the subject of the dissolution;
2. State that the corporation is the subject of a dissolution and the effective date of the dissolution;
3. Specify the information that must be included in the claim;
4. State that a claim must be in writing and provide a mailing address where a claim may be sent; and
5. State that a claim against the corporation under this subsection will be barred unless a proceeding to enforce the claim is commenced within 4 years after the date of the second consecutive weekly publication of the notice authorized by this section.
(2) If the dissolved corporation complies with paragraph (1)(a) or paragraph (1)(b), unless sooner barred by another statute limiting actions, the claim of each of the following claimants with known or other claims is barred unless the claimant commences a proceeding to enforce the claim against the dissolved corporation within 4 years after the date of filing the notice with the department or the date of the second consecutive weekly publication, as applicable:
(a) A claimant who did not receive written notice under s. 607.1406.
(b) A claimant whose claim was timely sent to the dissolved corporation but on which no action was taken by the dissolved corporation.
(c) A claimant whose claim is not a known claim under s. 607.1406(5).
(3) Nothing in this section shall preclude or relieve the corporation from its notification to claimants otherwise set forth in this chapter.

§ 607.1408. Claims against dissolved corporations; enforcement.
A claim that is not barred by s. 607.1406(4), by s. 607.1407(2), or by another statute limiting actions may be enforced:
(1) Against the dissolved corporation, to the extent of its undistributed assets; or
(2) Except as provided in s. 607.1409(4), if the assets have been distributed in liquidation, against a shareholder of the dissolved corporation to the extent of the shareholder's pro rata share of the claim or the corporate assets distributed to the shareholder in liquidation, whichever is less, provided that the aggregate liability of any shareholder of a dissolved corporation arising under s. 607.1406, under s. 607.1407, or otherwise may not exceed the total amount of assets distributed to the shareholder in dissolution.

Category	LLC (§ 605)	Corporation (§ 607)
Contingent/Immature Claims	Must offer security if claim might mature and funds deemed sufficient	No provision in statute
Court Petition After Notice	May petition court to set security for rejected claims	No equivalent provision
Court-Appointed Guardian	Court appoints guardian; LLC pays guardian's fees	No equivalent provision
Effect of Notice on Claims	Notice/offer does NOT revive claim, extend statute, or waive defenses	No equivalent provision
LLC Dissolution Procedures	Must: pay valid claims, post security, and cover other obligations	No specific statutory requirement
Asset Distribution Waiting Period	No distribution until 150 days after last notice rejection	No specified waiting period
Catch-All Provision	Includes fallback provision for noncompliance with procedures	No catch-all language in statute

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§ 607.1434. Alternative remedies to judicial dissolution.
(1) In a proceeding under s. 607.1430, the court may, as an alternative to directing the dissolution of the corporation and upon a showing of sufficient merit to warrant such remedy:
(a) Appoint a receiver or custodian during the proceeding as provided in s. 607.1432;
(b) Appoint a provisional director as provided in s. 607.1435;
(c) Order a purchase of the petitioning shareholder's shares pursuant to s. 607.1436; or
(d) Make any order or grant any equitable relief other than dissolution as in its discretion it may deem appropriate.
(2) Alternative remedies, such as the appointment of a receiver or custodian, may also be ordered in the discretion of the court, upon a showing of sufficient merit to warrant such remedy, in advance of directing the dissolution of the corporation or, after a judgment of dissolution is entered, to assist in facilitating the winding up of the corporation.

§ 607.1431. Procedure for judicial dissolution.
(1) Venue for a proceeding brought under s. 607.1430 lies in the circuit court in the applicable county.
(2) It is not necessary to make shareholders parties to a proceeding to dissolve a corporation unless relief is sought against them individually.

(3) A court in a proceeding brought under s. 607.1430 may issue injunctions, appoint a receiver or custodian during the proceeding with all powers and duties the court directs, take other action required to preserve the corporate assets wherever located, and carry on the business of the corporation until a full hearing can be held.
(4) Within 30 days of the commencement of a proceeding under s. 607.1430(1)(b), the corporation shall deliver to all shareholders, other than the petitioner, a notice stating that the shareholders are entitled to avoid the dissolution of the corporation by electing to purchase the petitioner's shares under s. 607.1436 and accompanied by a copy of s. 607.1436.
(5) If the court determines that any party has commenced, continued, or participated in a proceeding under s. 607.1430 and has acted arbitrarily, frivolously, vexatiously, or not in good faith, the court may, in its discretion, award attorney fees and other reasonable expenses to the other parties to the proceeding who have been affected adversely by such actions.

§ 605.0703. Procedure for judicial dissolution; alternative remedies.
(1)Venue for a proceeding brought under s. 605.0702 lies in the circuit court of the county where the limited liability company's principal office is or was last located, as shown by the records of the department, or, if there is or was no principal office in this state, in the circuit court of the county where the company's registered office is or was last located.
(2)It is not necessary to make members parties to a proceeding to dissolve a limited liability company unless relief is sought against such members individually.
(3)A court in a proceeding brought to dissolve a limited liability company may issue injunctions, appoint a receiver or custodian pendente lite with all powers and duties the court directs, take other action required to preserve the limited liability company's assets wherever located, and carry on the business of the limited liability company until a full hearing can be held.
(4)In a proceeding brought under s. 605.0702, the court may, upon a showing of sufficient merit to warrant such a remedy:
(a)Appoint a receiver or custodian under s. 605.0704;
(b)Order a purchase of a petitioning member's interest pursuant to s. 605.0706; or
(c)Upon a showing of good cause, order another remedy the court deems appropriate in its discretion, including an equitable remedy.
(5)Section 57.105 applies to a proceeding brought under s. 605.0702.

- LLC's
    - Venue lies where the principal office is (or was last located). If none, then in the circuit court where the LLC was last located.
    - Court may appoint a custodian, but only in the county where the litigation is pending.
    - Court may grant equitable relief other than dissolution, but only if the LLC shows good cause.

- No provision for awarding attorney's fees for bad faith conduct.
- No provision allowing appointment of a provisional director.

- Corporations
  - Venue lies in the circuit court of the applicable county.
  - Court may appoint a custodian or receiver to take control of the corporation's assets.
  - Court may grant equitable relief other than dissolution at its discretion (no "good cause" requirement).
  - Court may appoint a provisional director as an alternative remedy.
  - If a party acts arbitrarily, frivolously, vexatiously, or not in good faith, the court can award attorney's fees and other reasonable expenses.

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§ 605.0702. Grounds for judicial dissolution.

(1)A circuit court may dissolve a limited liability company:

(a)In a proceeding by the Department of Legal Affairs if it is established that:

1.The limited liability company obtained its articles of organization through fraud; or

2.The limited liability company has continued to exceed or abuse the authority conferred upon it by law.

The enumeration in subparagraphs 1. and 2. of grounds for involuntary dissolution does not exclude actions or special proceedings by the Department of Legal Affairs or a state official for the annulment or dissolution of a limited liability company for other causes as provided in another law of this state.

(b)In a proceeding by a manager or member to dissolve the limited liability company if it is established that:

1.The conduct of all or substantially all of the company's activities and affairs is unlawful;

2.It is not reasonably practicable to carry on the company's activities and affairs in conformity with the articles of organization and the operating agreement;

3.The managers or members in control of the company have acted, are acting, or are reasonably expected to act in a manner that is illegal or fraudulent;

4.The limited liability company's assets are being misappropriated or wasted, causing injury to the limited liability company, or in a proceeding by a member, causing injury to one or more of its members; or

5.The managers or the members of the limited liability company are deadlocked in the management of the limited liability company's activities and affairs, the members are unable to break the deadlock, and irreparable injury to the limited liability company is threatened or being suffered.

(c)In a proceeding by the limited liability company to have its voluntary dissolution continued under court supervision.

(2)

(a)If the managers or the members of the limited liability company are deadlocked in the management of the limited liability company's activities and

affairs, the members are unable to break the deadlock, and irreparable injury to the limited liability company is threatened or being suffered, if the operating agreement contains a deadlock sale provision that has been initiated before the time that the court determines that the grounds for judicial dissolution exist under subparagraph (1)(b)5., then such deadlock sale provision applies to the resolution of such deadlock instead of the court entering an order of judicial dissolution or an order directing the purchase of petitioner's interest under s. 605.0706, so long as the provisions of such deadlock sale provision are thereafter initiated and effectuated in accordance with the terms of such deadlock sale provision or otherwise pursuant to an agreement of the members of the company.

(b) For purposes of this section, the term "deadlock sale provision" means a provision in an operating agreement which is or may be applicable in the event of a deadlock among the managers or the members of the limited liability company which the members of the company are unable to break and which provides for a deadlock breaking mechanism, including, but not limited to:

1.A redemption or a purchase and sale of interests;

2.A governance change, among or between members;

3.The sale of the company or all or substantially all of the assets of the company; or

4.A similar provision that, if initiated and effectuated, breaks the deadlock by causing the transfer of interests, a governance change, or the sale of all or substantially all of the company's assets.

(3)A deadlock sale provision in an operating agreement which is not initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)5. or an order directing the purchase of petitioner's interest under s. 605.0706, does not adversely affect the rights of members and managers to seek judicial dissolution under subparagraph (1)(b)5. or the rights of the company or one or more members to purchase the petitioner's interest under s. 605.0706. The filing of an action for judicial dissolution on the grounds described in subparagraph (1)(b)5. or an election to purchase the petitioner's interest under s. 605.0706, does not adversely affect the right of a member to initiate an available deadlock sale provision under the operating agreement or to enforce a member-initiated or an automatically-initiated deadlock sale provision if the deadlock sale provision is initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)5. or an order directing the purchase of petitioner's interest under s. 605.0706.

§ 607.1430. Grounds for judicial dissolution.

(1) A circuit court may dissolve a corporation or order such other remedy as provided in s. 607.1434:

(a) In a proceeding by the Department of Legal Affairs to dissolve a corporation if it is established that:

1. The corporation obtained its articles of incorporation through fraud; or

2. The corporation has continued to exceed or abuse the authority conferred upon it by law.
The enumeration in subparagraphs 1. and 2. of grounds for involuntary dissolution does not exclude actions or special proceedings by the Department of Legal Affairs or any state official for the annulment or dissolution of a corporation for other causes as provided in any other statute of this state;
(b) In a proceeding by a shareholder to dissolve a corporation if it is established that:
1. The directors are deadlocked in the management of the corporate affairs, the shareholders are unable to break the deadlock, and:
a. Irreparable injury to the corporation is threatened or being suffered;
b. The business and affairs of the corporation can no longer be conducted to the advantage of the shareholders generally because of the deadlock; or
c. Both sub-subparagraphs a. and b.; or
2. The shareholders are deadlocked in voting power and have failed to elect successors to directors whose terms have expired or would have expired upon qualification of their successors; - i think this is supposed to be two on the other one
3. The corporate assets are being misapplied or wasted, causing material injury to the corporation; or
4. The directors or those in control of the corporation have acted, are acting, or are reasonably expected to act in a manner that is illegal or fraudulent;
(c) In a proceeding by a creditor if it is established that:
1. The creditor's claim has been reduced to judgment, the execution on the judgment returned unsatisfied, and the corporation is insolvent; or
2. The corporation has admitted in writing that the creditor's claim is due and owing and the corporation is insolvent;
(d) In a proceeding by the corporation to have its voluntary dissolution continued under court supervision; or
(e) In a proceeding by a shareholder if the corporation has abandoned its business and has failed within a reasonable period of time to liquidate and distribute its assets and dissolve.
(2) Paragraph (1)(b) does not apply in the case of a corporation that, on the date of the filing of the proceeding, has shares that are:
(a) A covered security under s. 18(b)(1)(A) or (B) of the Securities Act of 1933; or
(b) Not a covered security, but are held by at least 300 shareholders and the shares outstanding have a market value of at least $20 million, exclusive of the value of outstanding shares of the corporation held by the corporation's subsidiaries, by the corporation's senior executives, by the corporation's directors, and by the corporation's beneficial shareholders and voting trust beneficial owners owning more than 10 percent of the outstanding shares of the corporation.
(3)
(a) In the event of a deadlock situation that satisfies subparagraph (1)(b)1. or subparagraph (1)(b)2., if the shareholders are subject to a shareholder agreement that complies with s. 607.0732 and contains a deadlock sale provision, then such deadlock sale provision shall apply to the resolution of such deadlock in lieu of the

court entering an order of judicial dissolution or an order directing the purchase of petitioner's shares under s. 607.1436, so long as the provisions of such deadlock sale provision are initiated and effectuated within the time periods specified for the corporation to act under s. 607.1436 and in accordance with the terms of such deadlock sale provision.

(b) For purposes of this section, the term "deadlock sale provision" means a provision in a shareholder agreement that complies with s. 607.0732, which is or may be applicable in the event of a deadlock among the directors or shareholders of the corporation which neither the directors nor the shareholders, as applicable, of the corporation are able to break, and which provides for a deadlock breaking mechanism, including, but not limited to:

1. A redemption or a purchase and sale of shares or other equity securities;
2. A governance change;
3. A sale of the corporation or all or substantially all of the assets of the corporation; or
4. A similar provision that, if initiated and effectuated, breaks the deadlock by causing the transfer of the shares or other equity securities, a governance change, or a sale of the corporation or all or substantially all of the corporation's assets.

(4) A deadlock sale provision in a shareholder agreement that complies with s. 607.0732 which is not initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)1. or subparagraph (1)(b)2., as the case may be, or an order directing the purchase of petitioner's interest under s. 607.1436, does not adversely affect the rights of shareholders to seek judicial dissolution under subparagraph (1)(b)1. or subparagraph (1)(b)2., as the case may be, or the rights of the corporation or one or more shareholders to purchase the petitioner's interest under s. 607.1436. The filing of an action for judicial dissolution on the grounds described in subparagraph (1)(b)1. or subparagraph (1)(b)2., as the case may be, or an election to purchase the petitioner's interest under s. 607.1436, does not adversely affect the right of a shareholder to initiate an available deadlock sale provision under the shareholder agreement that complies with s. 607.0732 or to enforce a shareholder-initiated or an automatically-initiated deadlock sale provision if the deadlock sale provision is initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)1. or subparagraph (1)(b)2., as the case may be, or an order directing the purchase of petitioner's interest under s. 607.1436.

(5) For purposes of subsections (1) and (2), the term "shareholder" means a record shareholder, a beneficial shareholder, or an unrestricted voting trust beneficial owner.

- LLC
    - Dissolution requires showing that all or substantially all activities/affairs are unlawful.
    - Dissolution can be ordered if it is not reasonably practicable to carry on activities/affairs in conformity with the articles of organization.

    - Misappropriation/waste of assets can justify dissolution if it also causes injury to one or more members.
    - Creditors cannot petition for dissolution (no statutory provision like in corporations).
    - No provision for a court-supervised voluntary dissolution.
    - No provision for dissolution if the company has abandoned business and failed to liquidate assets.
    - No restrictions tied to federal security classifications (e.g., number of shareholders/market value).
    - If members are deadlocked, a member can ask the court for dissolution or a forced buyout.
    - However, if the operating agreement contains a deadlock sale provision that is initiated before the court finds grounds for dissolution, and it is properly followed, then the contractual provision controls.
- Corporations
    - No requirement to show that all activities are unlawful for dissolution.
    - Dissolution can be ordered if: Shareholders are deadlocked in voting power, and successors have not been elected; OR Corporate business/affairs can no longer be conducted to the advantage of shareholders because of deadlock.
    - Misappropriation or waste of assets justifies dissolution without needing to show injury to shareholders.
    - Creditors may petition for dissolution if: They have a judgment, attempted collection, but assets are uncollectible and the corporation is insolvent; OR The corporation admits in writing that the creditor's claim is due and it is insolvent.
    - Corporations may seek a court-supervised voluntary dissolution.
    - Dissolution may be ordered if the corporation has abandoned business and failed within a reasonable time to liquidate assets and distribute them.
    - Special restriction: If securities are held by at least 3,000 shareholders and have a market value of $20 million or more, shareholders generally cannot bring a deadlock or dissolution action.
    - If there is a shareholder deadlock, but a deadlock sale provision exists, the court must respect the contractual provision instead of ordering dissolution.

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§ 605.0709. Winding up.
(1)A dissolved limited liability company shall wind up its activities and affairs and, except as otherwise provided in ss. 605.0708 and 605.0715, the company continues after dissolution only for the purpose of winding up.
(2)In winding up its activities and affairs, a limited liability company:

(a)Shall discharge or make provision for the company's debts, obligations, and other liabilities as provided in ss. 605.0710-605.0713, settle and close the company's activities and affairs, and marshal and distribute the assets of the company; and
(b)May:
1.Preserve the company's activities, affairs, and property as a going concern for a reasonable time;
2.Prosecute and defend actions and proceedings, whether civil, criminal, or administrative;
3.Transfer title to the company's real estate and other property;
4.Settle disputes by mediation or arbitration;
5.Dispose of its properties that will not be distributed in kind to its members; and
6.Perform other acts necessary or appropriate to the winding up.
(3)If a dissolved limited liability company has no members, the legal representative of the last person to have been a member may wind up the activities and affairs of the company. If the legal representative does so, the person has the powers of a sole manager under s. 605.0407(3) and is deemed to be a manager for the purposes of s. 605.0304(1).
(4)If the legal representative under subsection (3) declines or fails to wind up the company's activities and affairs, a person may be appointed to do so by the consent of the transferees owning a majority of the rights to receive distributions as transferees at the time the consent is to be effective. A person appointed under this subsection has the powers of a sole manager under s. 605.0407(3) and is deemed to be a manager for the purposes of s. 605.0304(1).
(5)A circuit court may order judicial supervision of the winding up of a dissolved limited liability company, including the appointment of one or more persons to wind up the company's activities and affairs:
(a)On application of a member or manager if the applicant establishes good cause;
(b)On the application of a transferee if:
1.The company does not have any members;
2.The legal representative of the last person to have been a member declines or fails to wind up the company's activities and affairs; or
3.Within a reasonable time following the dissolution a person has not been appointed pursuant to subsection (3);
(c)On application of a creditor of the company if the applicant establishes good cause, but only if a receiver, custodian, or another person has not already been appointed for that purpose under this chapter; or
(d)In connection with a proceeding under s. 605.0702 if a receiver, custodian, or another person has not already been appointed for that purpose under s. 605.0704.
(6)The person or persons appointed by a court under subsection (5) may also be designated trustees for or receivers of the company with the authority to take charge of the limited liability company's property; to collect the debts and property due and belonging to the limited liability company; to prosecute and defend, in the name of the limited liability company, or otherwise, all such suits as may be necessary or proper for the purposes described above; to appoint an agent or agents under them;

and to do all other acts that might be done by the limited liability company, if in being, which may be necessary for the final settlement of the unfinished activities and affairs of the limited liability company. The powers of the trustees or receivers may be continued as long as the court determines is necessary for the above purposes.
(7)A dissolved limited liability company that has completed winding up may deliver to the department for filing a statement of termination that provides the following:
(a)The name of the limited liability company.
(b)The date of filing of its initial articles of organization.
(c)The date of the filing of its articles of dissolution.
(d)The limited liability company has completed winding up its activities and affairs and has determined that it will file a statement of termination.
(e)Other information as determined by the authorized representative.
(8)The manager or managers in office at the time of dissolution or the survivors of such manager or managers, or, if none, the members, shall thereafter be trustees for the members and creditors of the dissolved limited liability company. The trustees may distribute property of the limited liability company discovered after dissolution, convey real estate and other property, and take such other action as may be necessary on behalf of and in the name of the dissolved limited liability company.

§ 607.1432. Receivership or custodianship.
(1) A court in a judicial proceeding brought under s. 607.1430 may appoint one or more receivers to wind up and liquidate, or one or more custodians to manage, the business and affairs of the corporation. The court shall hold a hearing, after notifying all parties to the proceeding and any interested persons designated by the court, before appointing a receiver or custodian. The court appointing a receiver or custodian has exclusive jurisdiction over the corporation and all of its property wherever located.
(2) The court may appoint a natural person or an eligible entity authorized to act as a receiver or custodian. The eligible entity may be a domestic eligible entity or a foreign eligible entity authorized to transact business in this state. The court may require the receiver or custodian to post bond, with or without sureties, in an amount the court directs.
(3) The court shall describe the powers and duties of the receiver or custodian in its appointing order, which may be amended from time to time. Among other powers:
(a) The receiver:
1. May dispose of all or any part of the assets of the corporation wherever located, at a public or private sale, if authorized by the court; and
2. May sue and defend in his, her, or its own name as receiver of the corporation in all courts of this state.
(b) The custodian may exercise all of the powers of the corporation, through or in place of its board of directors or officers, to the extent necessary to manage the affairs of the corporation in the best interests of its shareholders and creditors.
(4) The court during a receivership may redesignate the receiver a custodian, and during a custodianship may redesignate the custodian a receiver, if doing so is

determined by the court to be in the best interests of the corporation and its shareholders and creditors.
(5) The court from time to time during the receivership or custodianship may order compensation paid and expense disbursements or reimbursements made to any receiver or custodian and his, her, or its counsel from the assets of the corporation or proceeds from the sale of the assets.
(6) The court has jurisdiction to appoint an ancillary receiver for the assets and business of a corporation. The ancillary receiver shall serve ancillary to a receiver located in any other state, whenever the court deems that circumstances exist requiring the appointment of such a receiver. The court may appoint such an ancillary receiver for a foreign corporation even though no receiver has been appointed elsewhere. Such receivership shall be converted into an ancillary receivership when an order entered by a court of competent jurisdiction in the other state provides for a receivership of the corporation.

- LLC's
    - Continue winding up affairs by:
        - Paying debts, fulfilling obligations, and settling liabilities.
        - Settling/closing company activities and affairs.
        - Preserving activities, affairs, and property for a reasonable time.
        - Suing/defending lawsuits.
        - Transferring property, settling disputes, selling assets.
        - Performing other acts necessary for winding up.
    - If no members remain:
        - The legal representative of the last member completes the winding up.
        - If they refuse, transferees can appoint someone.
    - The court may supervise winding up and appoint a trustee, custodian, or receiver.
    - Once winding up is complete the LLC files a statement of termination.
    - Members and managers become trustees for the LLC after dissolution.
- Corporation
    - The court appoints one or more receivers (person or eligible entity) after a hearing.
    - Receivers:
        - May sell corporate assets with court approval.
        - May sue/defend lawsuits in their own name as receiver.
    - Custodians:
        - Take over the powers of directors/officers.
        - Must manage the corporation in the best interest of shareholders and creditors.
    - The court may switch roles (custodian to receiver or receiver to custodian).

- The court decides pay/reimbursements for receivers/custodians from corporate assets.
- If assets exist in other states, the court appoints an ancillary receiver to work alongside the main receiver.

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§ 605.1070. Court costs and attorney fees.
(1) The court in an appraisal proceeding shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against the limited liability company, except that the court may assess costs against all or some of the members demanding appraisal, in amounts the court finds equitable, to the extent the court finds the members acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this chapter.
(2) The court in an appraisal proceeding may also assess the expenses incurred by the respective parties, in amounts the court finds equitable:
(a) Against the limited liability company and in favor of any or all members demanding appraisal, if the court finds the limited liability company did not substantially comply with the requirements of ss. 605.1061-605.1072; or
(b) Against either the limited liability company or a member demanding appraisal, in favor of another party, if the court finds that the party against whom the expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this chapter.
(3) If the court in an appraisal proceeding finds that the expenses incurred by any member were of substantial benefit to other members similarly situated and should not be assessed against the limited liability company, the court may direct that the expenses be paid out of the amounts awarded the members who were benefited.
(4) To the extent the limited liability company fails to make a required payment pursuant to s. 605.1067 or s. 605.1069, the member may sue the limited liability company directly for the amount owed and, to the extent successful, is entitled to recover from the limited liability company all costs and expenses of the suit, including attorney fees.

§ 607.1321. Notice of intent to demand payment.
(1) If a proposed corporate action requiring appraisal rights under s. 607.1302 is submitted to a vote at a shareholders' meeting, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares:
(a) Must have beneficially owned the shares of such class or series as of the record date for the shareholders' meeting at which the proposed corporate action is to be submitted to a vote;
(b) Must deliver to the corporation before the vote is taken written notice of the shareholder's intent, if the proposed corporate action is effectuated, to demand payment for all shares of such class or series beneficially owned by the shareholder

as of the record date for the shareholders' meeting at which the proposed corporate action is to be submitted to a vote; and
(c) Must not vote, or cause or permit to be voted, any shares of such class or series in favor of the proposed corporate action.
(2) If a proposed corporate action requiring appraisal rights under s. 607.1302 is to be approved by written consent, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares:
(a) Must have beneficially owned the shares of such class or series as of the record date established for determining who is entitled to sign a written consent;
(b) Must assert such appraisal rights for all shares of such class or series beneficially owned by the shareholder as of the record date for determining who is entitled to sign the written consent; and
(c) Must not sign a consent in favor of the proposed corporate action with respect to that class or series of shares.
(3) If a proposed corporate action specified in s. 607.1302(1) does not require shareholder approval pursuant to s. 607.11035, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares:
(a) Must have beneficially owned the shares of such class or series as of the date the offer to purchase is made pursuant to s. 607.11035;
(b) Must deliver to the corporation before the shares are purchased pursuant to the offer a written notice of the shareholder's intent to demand payment if the proposed corporate action is effected for all shares of such class or series beneficially owned by the shareholder as of the date the offer to purchase is made pursuant to s. 607.11035; and
(c) Must not tender, or cause or permit to be tendered, any shares of such class or series in response to such offer.
(4) A shareholder who may otherwise be entitled to appraisal rights but does not satisfy the requirements of subsection (1), subsection (2), or subsection (3) is not entitled to payment under this chapter.

- LLC's
    - LLC's pay court costs.
    - Members may be required to pay court costs if:
        - They acted arbitrarily, vexatiously, or not in good faith.
        - The LLC failed to follow statutory procedures correctly.
        - The case is against members, and they acted in bad faith or abused the process.
        - One member's actions benefited other members → the court can require those benefited members to pay.
    - If the LLC fails to pay what is owed under the statutes, members may sue directly and recover costs and attorney's fees.
- Corporations
    - If action requires shareholder vote:

        - Must own shares/series as of the record date for the shareholders' meeting.
        - Must deliver written notice to the corporation of intent to demand payment before the vote.
        - Must not vote in favor of the proposed action.
    - If action does not require shareholder vote but is by written consent:
        - Must own shares/series as of the record date for determining who may sign consent.
        - Must assert appraisal rights for those shares/series.
        - Must not sign the written consent approving the proposed action.
    - If action does not require shareholder approval (tender offer):
        - Must own shares/series.
        - Must deliver written notice of intent to demand payment.
        - Must not tender shares into the offer.
    - If the shareholder misses any step then appraisal rights are lost.

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§ 605.0304. Liability of members and managers.
(1)A debt, obligation, or other liability of a limited liability company is solely the debt, obligation, or other liability of the company. A member or manager is not personally liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the company solely by reason of being or acting as a member or manager. This subsection applies regardless of the dissolution of the company.
(2)The failure of a limited liability company to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground for imposing liability on a member or manager of the company for a debt, obligation, or other liability of the company.
(3)The limitation of liability in this section is in addition to the limitations of liability provided for in s. 605.04093.

§ 607.0622. Liability for shares issued before payment.
(1)A holder of, or subscriber to, shares of a corporation shall be under no obligation to the corporation or its creditors with respect to such shares other than the obligation to pay to the corporation the full consideration for which such shares were issued or to be issued. Such an obligation may be enforced by the corporation and its successors or assigns; by a shareholder suing derivatively on behalf of the corporation; by a receiver, liquidator, or trustee in bankruptcy of the corporation; or by another person having the legal right to marshal the assets of such corporation.
(2)Any person becoming an assignee or transferee of shares, or of a subscription for shares, in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration, but the assignor or transferor shall continue to be liable therefor.

(3)No pledgee or other holder of shares as collateral security shall be personally liable as a shareholder, but the pledgor or other person transferring such shares as collateral shall be considered the holder thereof for purposes of liability under this section.
(4)An executor, administrator, conservator, guardian, trustee, assignee for the benefit of creditors, receiver, or other fiduciary shall not be personally liable to the corporation as a holder of, or subscriber to, shares of a corporation, but the estate and funds in her or his hands shall be so liable.
(5)No liability under this section may be asserted more than 5 years after the earlier of:
(a)The issuance of the shares, or
(b)The date of the subscription upon which the assessment is sought.

- LLC's
  - If the debt belongs to the LLC then the Members are not personally liable for LLC debts.
  - This rule applies even after dissolution.
  - If the LLC fails to follow statutory procedures then it still cannot impose liability on members.
- Corporations
  - Shareholders remain responsible for paying the full value of their shares, whether or not payment has been completed.
  - Liability can be enforced by:
    - The corporation itself,
    - Other shareholders,
    - A receiver,
    - A liquidator, or
    - A bankruptcy trustee.
  - In good faith if you buy/receive shares that were not fully paid without knowledge/notice, the original shareholder remains liable.
  - Shares held as collateral: The pledgee (lender/holder of collateral) is liable for the shares.
  - Fiduciaries (executor, administrator, guardian, trustee, receiver, etc.): Not personally liable the liability attaches to the estate or funds under their management.

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§ 605.0411. Court-ordered inspection.

(1) If a limited liability company does not allow a member, manager, or other person who complies with s. 605.0410(2)(a), (3)(a), (3)(b), or (4), as applicable, to inspect and copy any records required by that section to be available for inspection, the circuit court in the county where the limited liability company's principal office is or was last located, as shown by the records of the department or, if there is no principal office in this state, where its registered office is or was last located, may summarily order

inspection and copying of the records demanded, at the limited liability company's expense, upon application of the member, manager, or other person.
(2) If the court orders inspection or copying of the records demanded, it shall also order the limited liability company to pay the costs, including reasonable attorney fees, reasonably incurred by the member, manager, or other person seeking the records to obtain the order and enforce its rights under this section unless the limited liability company proves that it refused inspection in good faith because the company had a reasonable basis for doubt about the right of the member, manager, or such other person to inspect or copy the records demanded.
(3) If the court orders inspection or copying of the records demanded, it may impose reasonable restrictions on the use or distribution of the records by the member, manager, or other person demanding such records.

§ 607.1604. Court-ordered inspection.
(1) If a corporation does not allow a shareholder who complies with s. 607.1602(1) to inspect and copy any records required by that subsection to be available for inspection, the circuit court in the applicable county may summarily order inspection and copying of the records demanded at the corporation's expense upon application of the shareholder. If the court orders inspection and copying of the records demanded under s. 607.1602(1), it shall also order the corporation to pay the shareholder's expenses, including reasonable attorney fees, incurred to obtain the order and enforce its rights under this section.
(2) If a corporation does not within a reasonable time allow a shareholder who complies with s. 607.1602(2) to inspect and copy the records required by that section, the shareholder who complies with s. 607.1602(3) may apply to the circuit court in the applicable county for an order to permit inspection and copying of the records demanded. The court shall dispose of an application under this subsection on an expedited basis.
(3) If the court orders inspection or copying of the records demanded under s. 607.1602(2), it may impose reasonable restrictions on the disclosure, use, or distribution of, and reasonable obligations to maintain the confidentiality of, such records, and it shall also order the corporation to pay the shareholder's expenses incurred, including reasonable attorney fees, incurred to obtain the order and enforce its rights under this section unless the corporation establishes that the corporation refused inspection in good faith because the corporation had:
(a) A reasonable basis for doubt about the right of the shareholder to inspect or copy the records demanded; or
(b) Required reasonable restrictions on the disclosure, use, or distribution of, and reasonable obligations to maintain the confidentiality of, such records demanded to which the demanding shareholder had been unwilling to agree.

- Corporations

- If the corporation fails to allow inspection/copying of records within a reasonable time, a shareholder may petition the circuit court.
- The court can issue an expedited order permitting inspection.
- The corporation must pay the shareholder's attorneys' fees unless:
  - The corporation shows it acted in good faith due to a reasonable doubt about the shareholder's rights, OR
  - There were reasonable restrictions in place that the shareholder refused to follow.

- LLC'S
  - No equivalent provision in the statutes for expedited court-ordered inspection.
  - No statutory rule requiring the LLC to pay attorney's fees in inspection disputes.

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§ 605.0410. Records to be kept; rights of member, manager, and person dissociated to information.
(1)A limited liability company shall keep at its principal office or another location the following records:
(a)A current list of the full names and last known business, residence, or mailing addresses of each member and manager.
(b)A copy of the then-effective operating agreement, if made in a record, and all amendments thereto if made in a record.
(c)A copy of the articles of organization, articles of merger, articles of interest exchange, articles of conversion, and articles of domestication, and other documents and all amendments thereto, concerning the limited liability company which were filed with the department, together with executed copies of any powers of attorney pursuant to which any articles of organization or such other documents were executed.
(d)Copies of the limited liability company's federal, state, and local income tax returns and reports, if any, for the 3 most recent years.
(e)Copies of the financial statements of the limited liability company, if any, for the 3 most recent years.
(f)Unless contained in an operating agreement made in a record, a record stating the amount of cash and a description and statement of the agreed value of the property or other benefits contributed and agreed to be contributed by each member, and the times at which or occurrence of events upon which additional contributions agreed to be made by each member are to be made.
(2)In a member-managed limited liability company, the following rules apply:
(a)Upon reasonable notice, a member may inspect and copy during regular business hours, at a reasonable location specified by the company:
1.The records described in subsection (1); and

2.Each other record maintained by the company regarding the company's activities, affairs, financial condition, and other circumstances, to the extent the information is material to the member's rights and duties under the operating agreement or this chapter.
(b)The company shall furnish to each member:
1.Without demand, any information concerning the company's activities, affairs, financial condition, and other circumstances that is known to the company and is material to the proper exercise of the member's rights and duties under the operating agreement or this chapter, except to the extent the company can establish that it reasonably believes the member already knows the information; and
2.On demand, other information concerning the company's activities, affairs, financial condition, and other circumstances, except to the extent the demand or information demanded is unreasonable or otherwise improper under the circumstances.
(c)Within 10 days after receiving a demand pursuant to subparagraph (b)2., the company shall provide to the member who made the demand a record of:
1.The information that the company will provide in response to the demand and when and where the company will provide such information.2.For any demanded information that the company is not providing, the reasons that the company will not provide the information.
(d)The duty to furnish information under this subsection also applies to each member to the extent the member knows any of the information described in this subsection.
(3)In a manager-managed limited liability company, the following rules apply:
(a)The informational rights stated in subsection (2) and the duty stated in paragraph (2)(d) apply to the managers and not to the members.
(b)During regular business hours and at a reasonable location specified by the company, a member may inspect and copy:
1.The records described in subsection (1); and
2.Full information regarding the activities, affairs, financial condition, and other circumstances of the company as is just and reasonable if:
a.The member seeks the information for a purpose reasonably related to the member's interest as a member; and
b.The member makes a demand in a record received by the company, describing with reasonable particularity the information sought and the purpose for seeking the information, and if the information sought is directly connected to the member's purpose.
(c)Within 10 days after receiving a demand pursuant to subparagraph (b)2., the company shall, in a record, inform the member who made the demand of:
1.The information that the company will provide in response to the demand and when and where the company will provide the information; and
2.The company's reasons for declining, if the company declines to provide any demanded information.
(d)If this chapter or an operating agreement provides for a member to give or withhold consent to a matter, before the consent is given or withheld, the company shall,

without demand, provide the member with all information that is known to the company and is material to the member's decision.
(4)Subject to subsection (10), on 10 days' demand made in a record received by a limited liability company, a person dissociated as a member may have access to information to which the person was entitled while a member if:
(a)The information pertains to the period during which the person was a member;
(b)The person seeks the information in good faith; and
(c)The person satisfies the requirements imposed on a member by paragraph (3)(b).
(5)A limited liability company shall respond to a demand made pursuant to subsection (4) in the manner provided in paragraph (3)(c).
(6)A limited liability company may charge a person who makes a demand under this section the reasonable costs of copying, which costs are limited to the costs of labor and materials.
(7)A member or person dissociated as a member may exercise rights under this section through an agent or, in the case of an individual under legal disability or an entity that is dissolved or its existence terminated, through a legal representative. A restriction or condition imposed by the operating agreement or under subsection (10) applies both to the agent or legal representative and the member or person dissociated as a member.
(8)Subject to subsection (9), the rights under this section do not extend to a person as transferee.
(9)If a member dies, s. 605.0504 applies.
(10)In addition to a restriction or condition stated in the operating agreement, a limited liability company, as a matter within the ordinary course of its activities and affairs, may impose reasonable restrictions and conditions on access to and use of information to be furnished under this section, including designating information confidential and imposing nondisclosure and safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a restriction under this subsection, the company has the burden of proving reasonableness. This subsection does not apply to the request by a member for the records described in subsection (1).

§ 607.1601. Corporate records.
(1) A corporation shall maintain the following records:
(a) Its articles of incorporation, as currently in effect;
(b) Any notices to shareholders referred to in s. 607.0120(11)(d) specifying facts on which a filed document is dependent, if such facts are not included in the articles of incorporation or otherwise available as specified in s. 607.0120(11)(d);
(c) Its bylaws, as currently in effect;
(d) All written communications within the past 3 years to shareholders generally or to shareholders of a class or series;
(e) Minutes of all meetings of, and records of all actions taken without a meeting by, its shareholders, its board of directors, and any board committees established under s. 607.0825;

(f) A list of the names and business street addresses of its current directors and officers; and
(g) Its most recent annual report delivered to the department under s. 607.1622.
(2) A corporation shall maintain all annual financial statements prepared for the corporation for its last 3 fiscal years, or such shorter period of existence, and any audit or other reports with respect to such financial statements.
(3) A corporation shall maintain accounting records in a form that permits preparation of its financial statements.
(4) A corporation shall maintain a record of its current shareholders in alphabetical order by class or series of shares showing the address of, and the number and class or series of shares held by, each shareholder. This subsection does not require the corporation to include the electronic mail address or other electronic contact information of a shareholder in such record.
(5) A corporation shall maintain the records specified in this section in a manner so that they may be available for inspection within a reasonable time.

§ 607.1602. Inspection of records by shareholders.
(1) A shareholder of a corporation is entitled to inspect and copy, during regular business hours at the corporation's principal office, any of the records of the corporation described in s. 607.1601(1), excluding minutes of meetings of, and records of actions taken without a meeting by, the corporation's board of directors and any board committees of the corporation established under s. 607.0825, if the shareholder gives the corporation written notice of the shareholder's demand at least 5 business days before the date on which the shareholder wishes to inspect and copy.
(2) A shareholder of a corporation is entitled to inspect and copy, during regular business hours at a reasonable location specified by the corporation, any of the following records of the corporation if the shareholder meets the requirements of subsection (3) and gives the corporation written notice of the shareholder's demand at least 5 business days before the date on which the shareholder wishes to inspect and copy:
(a) Excerpts from minutes of any meeting of, or records of any actions taken without a meeting by, the corporation's board of directors and board committees of the corporation maintained in accordance with s. 607.1601(1);
(b) The financial statements of the corporation maintained in accordance with s. 607.1601(2);
(c) Accounting records of the corporation;
(d) The record of shareholders maintained in accordance with s. 607.1601(4); and
(e) Any other books and records.
(3) A shareholder may inspect and copy the records described in subsection (2) only if:
(a) The shareholder's demand is made in good faith and for a proper purpose;
(b) The shareholder's demand describes with reasonable particularity the shareholder's purpose and the records the shareholder desires to inspect; and
(c) The records are directly connected with the shareholder's purpose.

(4) The corporation may impose reasonable restrictions on the disclosure, use, or distribution of, and reasonable obligations to maintain the confidentiality of, records described in subsection (2).
(5) For any meeting of shareholders for which the record date for determining shareholders entitled to vote at the meeting is different than the record date for notice of the meeting, any person who becomes a shareholder subsequent to the record date for notice of the meeting and is entitled to vote at the meeting is entitled to obtain from the corporation upon request the notice and any other information provided by the corporation to shareholders in connection with the meeting, unless the corporation has made such information generally available to shareholders by posting it on its website or by other generally recognized means. Failure of a corporation to provide such information does not affect the validity of action taken at the meeting.
(6) The right of inspection granted by this section may not be abolished or limited by a corporation's articles of incorporation or bylaws.
(7) This section does not affect:
(a) The right of a shareholder to inspect and copy records under s. 607.0720 or, if the shareholder is in litigation with the corporation, to the same extent as any other litigant; or
(b) The power of a court, independently of this chapter, to compel the production of corporate records for examination and to impose reasonable restrictions as provided in s. 607.1604(3), provided that, in the case of production of records described in subsection (2) at the request of the shareholder, the shareholder has met the requirements of subsection (3).
(8) A corporation may deny any demand for inspection made pursuant to subsection (2) if the demand was made for an improper purpose, or if the demanding shareholder has within 2 years preceding his, her, or its demand sold or offered for sale any list of shareholders of the corporation or any other corporation, has aided or abetted any person in procuring any list of shareholders for any such purpose, or has improperly used any information secured through any prior examination of the records of the corporation or any other corporation.
(9) A shareholder may not sell or otherwise distribute any information or records inspected under this section, except to the extent that such use is for a proper purpose as defined in subsection (11).
(10) For purposes of this section, the term "shareholder" means a record shareholder, a beneficial shareholder, or an unrestricted voting trust beneficial owner.
(11) For purposes of this section, a "proper purpose" means a purpose reasonably related to such person's interest as a shareholder.
(12) The rights of a shareholder to obtain records under subsections (1) and (2) shall also apply to the records of subsidiaries of the corporation.

- LLC'S
    - Must maintain core business records.
    - Members may demand inspection only if related to their rights and duties; inspection can be denied if the demand is unreasonable.

    - Members can inspect if the request is just and reasonable, states a proper purpose, and the LLC must respond within 10 days.
    - No statutory restrictions on what members can do with inspected records.
- Corporations
    - Must maintain core business records, and also keep audits, minutes of meetings, and annual reports.
    - Shareholders have an automatic right to inspect and copy records with 5 days' written notice.
    - To inspect records shareholders must show:
        - Good faith
        - Proper purpose
        - Particularity (specific records sought)
        - A connection between the records and the purpose.
    - Strict restrictions such as records cannot be used for improper purposes, resale, harassment, or misuse. Abuse of records may bar future access.

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§ 605.0405. Limitations on distributions.
(1)A limited liability company may not make a distribution, including a distribution under s. 605.0710, if after the distribution:
(a)The company would not be able to pay its debts as they become due in the ordinary course of the company's activities and affairs; or
(b)The company's total assets would be less than the sum of its total liabilities, plus the amount that would be needed if the company were to be dissolved and wound up at the time of the distribution, to satisfy the preferential rights upon dissolution and winding up of members and transferees whose preferential rights are superior to those of persons receiving the distribution.
(2)A limited liability company may base a determination that a distribution is not prohibited under subsection (1) on:
(a)Financial statements prepared on the basis of accounting practices and principles that are reasonable under the circumstances; or
(b)A fair valuation or other method that is reasonable under the circumstances.
(3)Except as otherwise provided in subsection (5), the effect of a distribution under subsection (1) is measured:
(a)In the case of a distribution by purchase, redemption, or other acquisition of a transferable interest in the company, as of the earlier of the date on which:
1.Money or other property is transferred or the debt is incurred by the company; and
2.The person entitled to distribution ceases to own the interest or right being acquired by the company in return for the distribution.
(b)In the case of a distribution of indebtedness, as of the date on which the indebtedness is distributed.
(c)In all other cases, as of the date on which:

1.The distribution is authorized if the payment occurs within 120 days after that date; or
2.The payment is made if the payment occurs more than 120 days after the distribution is authorized.
(4)A limited liability company's indebtedness to a member or transferee incurred by reason of a distribution made in accordance with this section is at parity with the company's indebtedness to its general, unsecured creditors, except to the extent subordinated by agreement.
(5)A limited liability company's indebtedness, including indebtedness issued as a distribution, is not a liability for purposes of subsection (1) if the terms of the indebtedness provide that payment of principal and interest is made only if and to the extent that a distribution could then be made under this section. If the indebtedness is issued as a distribution, and by its terms provides that the payments of principal and interest are made only to the extent a distribution could be made under this section, then each payment of principal or interest of that indebtedness is treated as a distribution, the effect of which is measured on the date the payment is actually made.
(6)In measuring the effect of a distribution under s. 605.0710, the liabilities of a dissolved limited liability company do not include a claim that is disposed of under ss. 605.0710-605.0713.

§ 607.06401. Distributions to shareholders.
(1)A board of directors may authorize and the corporation may make distributions to its shareholders subject to restriction by the articles of incorporation and the limitations in subsection (3).
(2)The board of directors may fix the record date for determining shareholders entitled to a distribution, but the date may not be retroactive. If the board of directors does not fix the record date for determining shareholders entitled to a distribution (other than one involving a purchase, redemption, or other acquisition of the corporation's shares), the record date is the date the board of directors authorizes the distribution.
(3)No distribution may be made if, after giving it effect:
(a)The corporation would not be able to pay its debts as they become due in the usual course of the corporation's activities and affairs; or
(b)The corporation's total assets would be less than the sum of its total liabilities plus (unless the articles of incorporation permit otherwise) the amount that would be needed, if the corporation were to be dissolved and wound up at the time of the distribution, to satisfy the preferential rights upon dissolution and winding up of shareholders whose preferential rights are superior to those receiving the distribution.
(4)The board of directors may base a determination that a distribution is not prohibited under subsection (3) on:
(a)Financial statements prepared on the basis of accounting practices and principles that are reasonable under the circumstances; or

(b)A fair valuation or other method that is reasonable under the circumstances. In the case of any distribution based upon such a valuation, each such distribution shall be identified as a distribution based upon a current valuation of assets, and the amount per share paid on the basis of such valuation shall be disclosed to the shareholders concurrent with their receipt of the distribution.
(5)If the articles of incorporation of a corporation engaged in the business of exploiting natural resources or other wasting assets so provide, distributions may be paid in cash out of depletion or similar reserves; and each such distribution shall be identified as a distribution based upon such reserves, and the amount per share paid on the basis of such reserves shall be disclosed to the shareholders concurrent with their receipt of the distribution.
(6)Except as provided in subsection (8), the effect of a distribution under subsection (3) is measured:
(a)In the case of a distribution by purchase, redemption, or other acquisition of the corporation's shares, as of the earlier of the date on which:
1.Money or other property is transferred or the debt to a shareholder is incurred by the corporation, or
2.The shareholder ceases to be a shareholder with respect to the acquired shares;
(b)In the case of a distribution of indebtedness, as of the date on which the indebtedness is distributed;
(c)In all other cases, as of the date on which:
1.The distribution is authorized if the payment occurs within 120 days after that date; or
2.The payment is made if the payment occurs more than 120 days after the date the distribution is authorized.
(7)A corporation's indebtedness to a shareholder incurred by reason of a distribution made in accordance with this section is at parity with the corporation's indebtedness to its general, unsecured creditors except to the extent provided otherwise by agreement. The obligation to pay such indebtedness may be secured by a lien on assets of the corporation if not prohibited by a law other than this chapter.
(8)Indebtedness of a corporation, including indebtedness issued as a distribution, is not considered a liability for purposes of determinations under subsection (3) if the terms of the indebtedness provide that payment of principal and interest is made only if and to the extent that a distribution to shareholders could then be made under this section. If such indebtedness is issued as a distribution, and by its terms provides that the payments of principal or interest are made only to the extent a distribution could be made under this section, then each payment of principal and interest of that indebtedness is treated as a distribution, the effect of which is measured on the date the payment is actually made.
(9)This section does not apply to distributions in liquidation under ss. 607.1401-607.14401.

- LLC
    - Members or managers authorize distributions.
    - No statutory disclosure requirements.

    - Distribution Debt: Ranks at parity with unsecured creditors unless subordinated.
- Corporations
    - Only the board of directors authorizes distributions.
    - Must disclose per-share value of distributions and natural resource reserve distributions.
    - Ranks at parity but may be secured by lien unless otherwise prohibited.

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§ 607.0504. Serving process, giving notice, or making a demand on a corporation.
(1)A corporation may be served with process required or authorized by law in accordance with s. 48.081 and chapter 48 or chapter 49.
(2)Any notice or demand on a corporation under this chapter may be given or made to the chair of the board, the president, any vice president, the secretary, or the treasurer of the corporation; to the registered agent of the corporation at the registered office of the corporation in this state; or to any other address in this state which is in fact the principal office of the corporation in this state.
(3)This section does not affect the right to serve process, give notice, or make a demand in any other manner provided by law.

§ 605.0117. Serving process, giving notice, or making a demand. [Effective until July 1, 2026]
(1)Process against a limited liability company or registered foreign limited liability company may be served in accordance with s. 48.062 and chapter 48 or chapter 49.
(2)Any notice or demand on a limited liability company or registered foreign limited liability company under this chapter may be given or made to any member of a member-managed limited liability company or registered foreign limited liability company or to any manager of a manager-managed limited liability company or registered foreign limited liability company; to the registered agent of the limited liability company or registered foreign limited liability company at the registered office of the limited liability company or registered foreign limited liability company in this state; or to any other address in this state which is in fact the principal office of the limited liability company or registered foreign limited liability company in this state.
(3)A registered series of a foreign series limited liability company may be served in the same manner as a registered limited liability company.
(4)This section does not affect the right to serve process, give notice, or make a demand in any other manner provided by law.

- LLCs
    - Notice/demands may be served on:
        - Registered agent at the registered office,
        - Principal office in Florida,

        - Any member, or
        - Any manager.
- Corporations
    - Notice/demands must be made to one of the following:
        - Chair of the board,
        - President,
        - Vice President,
        - Secretary,
        - Treasurer,
        - Registered agent at the registered office, or
        - Principal office in Florida.

No rules for either LLC or Corps

Procedural Rules: Complaint
§ 607.0742. Complaint; demand and excuse.
A complaint in a proceeding brought in the right of a corporation must be verified and allege with particularity:
(1)The demand, if any, made to obtain the action desired by the shareholder from the board of directors; and
(2)Either:
(a)If such a demand was made, that the demand was refused, rejected, or ignored by the board of directors prior to the expiration of 90 days from the date the demand was made;
(b)If such a demand was made, why irreparable injury to the corporation or misapplication or waste of corporate assets causing material injury to the corporation would result by waiting for the expiration of a 90-day period from the date the demand was made; or
(c)The reason or reasons the shareholder did not make the effort to obtain the desired action from the board of directors or comparable authority.

- Florida's LLC statute does not have a comparable "complaint rule."
    - Instead, derivative suits by LLC members proceed under the Florida Rules of Civil Procedure, without a special statutory pleading requirement like corporations have.
    - This means LLC members do not have to meet the same heightened demand/verification standard that corporate shareholders face.

§ 607.0833. Loans to officers, directors, and employees; guaranty of obligations.
Any corporation may lend money to, guarantee any obligation of, or otherwise assist any officer, director, or employee of the corporation or of a subsidiary, whenever, in the judgment of the board of directors, such loan, guaranty, or assistance may reasonably be expected to benefit the corporation. The loan, guaranty, or other assistance may be with or without interest and may be unsecured or secured in such manner as the board of directors shall approve, including a pledge of shares of stock of the corporation. Nothing in this section shall be deemed to deny, limit, or restrict the powers of guaranty or warranty of any corporation at common law or under any statute. Loans, guarantees, or other types of assistance are subject to s. 607.0832.

- The LLC act does not have any statutory provision that allows the businesses to lend money or issue guarantees

§ 605.0717. Effect of dissolution.
(1)Dissolution of a limited liability company does not:
(a)Transfer title to the limited liability company's assets;
(b)Prevent commencement of a proceeding by or against the limited liability company in its name;
(c)Abate or suspend a proceeding pending by or against the limited liability company on the effective date of dissolution; or
(d)Terminate the authority of the registered agent of the limited liability company.
(2)Except as provided in s. 605.0715(5), the name of the dissolved limited liability company is not available for assumption or use by another business entity until 120 days after the effective date of dissolution or filing of a statement of termination, if earlier.

- For companies, there is no statutory provision on this.

§ 607.1410. Director duties.
(1) Directors shall cause the dissolved corporation to discharge or make reasonable provision for the payment of claims and make distributions in liquidation of assets to shareholders after payment or provision for claims.
(2) Directors of a dissolved corporation that has disposed of claims under s. 607.1406, s. 607.1407, or s. 607.1409 are not liable to any claimant or shareholder for a breach of subsection (1) with respect to claims against the dissolved corporation that are barred or satisfied in accordance with s. 607.1406, s. 607.1407, or s. 607.1409.

- There is no statutory provision on this for LLC's

§ 607.1408. Claims against dissolved corporations; enforcement.
A claim that is not barred by s. 607.1406(4), by s. 607.1407(2), or by another statute limiting actions may be enforced:
(1) Against the dissolved corporation, to the extent of its undistributed assets; or
(2) Except as provided in s. 607.1409(4), if the assets have been distributed in liquidation, against a shareholder of the dissolved corporation to the extent of the shareholder's pro rata share of the claim or the corporate assets distributed to the shareholder in liquidation, whichever is less, provided that the aggregate liability of

any shareholder of a dissolved corporation arising under s. 607.1406, under s. 607.1407, or otherwise may not exceed the total amount of assets distributed to the shareholder in dissolution.

- There is no statutory provision on this for LLC's

§ 605.2501 Events causing dissolution of protected series. [Effective July 1, 2026]
A protected series of a series limited liability company is dissolved, and its activities and affairs must be wound up, upon the occurrence of any of the following:
(1) Dissolution of the series limited liability company.
(2) Occurrence of an event or a circumstance that the operating agreement states causes dissolution of the protected series.
(3) Affirmative vote or consent of all associated members of the protected series.
(4) Entry by the court of an order dissolving the protected series on application by an associated member or a protected series manager of the protected series:
(a) In accordance with s. 605.2108; and
(b) To the same extent, in the same manner, and on the same grounds the court would enter an order dissolving a limited liability company on application by a member or manager of the limited liability company pursuant to s. 605.0702.
(5) Entry by the court of an order dissolving the protected series on application by the series limited liability company or a member or manager of the series limited liability company:
(a) In accordance with s. 605.2108; and
(b) To the same extent, in the same manner, and on the same grounds the court would enter an order dissolving a limited liability company on application by a member or manager of the limited liability company pursuant to s. 605.0702.
(6) Automatic or involuntary dissolution of the series limited liability company that established the protected series.
(7) The filing of a statement of administrative dissolution of the limited liability company or a protected series of the company by the department pursuant to s. 605.0714.

- There is no statutory provision for corporations on this

§ 605.2404 Enforcement of claim against non-associated asset. [Effective July 1, 2026]
(1) For the purposes of this section, the term:
(a) "Enforcement date" means 12:01 a.m. on the date on which a claimant first serves process on a series limited liability company or protected series in an action seeking to enforce a claim against an asset of the company or protected series by attachment, levy, or similar means under this section.
(b) "Incurrence date," subject to s. 605.2608(2), means the date on which a series limited liability company or protected series of the company incurred the liability giving rise to a claim that a claimant seeks to enforce under this section.
(2) If a claim against a series limited liability company or a protected series of the company 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:

(a) A judgment against the series limited liability company may be enforced against an asset of a protected series of the company if the asset:
1. Was a non-associated asset of the protected series on the incurrence date; or
2. Is a non-associated asset of the protected series on the enforcement date.
(b) A judgment against a protected series may be enforced against an asset of the series limited liability company if the asset:
1. Was a non-associated asset of the series limited liability company on the incurrence date; or
2. Is a non-associated asset of the series limited liability company on the enforcement date.
(c) A judgment against a protected series may be enforced against an asset of another protected series of the series limited liability company if the asset:
1. Was a non-associated asset of the other protected series on the incurrence date; or
2. Is a non-associated asset of the other protected series on the enforcement date.
(3) In addition to any other remedy provided by law or equity, if a claim against a series limited liability company or a protected series has not been reduced to a judgment and law other than this chapter permits a prejudgment remedy by attachment, levy, or similar means, the court may apply subsection (2) as a prejudgment remedy.
(4) In a proceeding under this section, the party asserting that an asset is or was an associated asset of a series limited liability company or a protected series of the series limited liability company has the burden of proof on the issue.
(5) This section applies to an asset of a foreign series limited liability company or foreign protected series if all of the following apply:
(a) The asset is real or tangible property located in this state.
(b) The claimant is a resident of this state or is transacting 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.
(c) The asset is not identified in the records of the foreign series limited liability company or foreign protected series in a manner comparable to the manner required by s. 605.2301.

- There are no statutory provisions on this for corporations

§ 605.0503. Charging order.
(1)On application to a court of competent jurisdiction by a judgment creditor of a member or a transferee, the court may enter a charging order against the transferable interest of the member or transferee for payment of the unsatisfied amount of the judgment with interest. Except as provided in subsection (5), a charging order constitutes a lien upon a judgment debtor's transferable interest and requires the limited liability company to pay over to the judgment creditor a distribution that would otherwise be paid to the judgment debtor.
(2)This chapter does not deprive a member or transferee of the benefit of any exemption law applicable to the transferable interest of the member or transferee.

(3)Except as provided in subsections (4) and (5), a charging order is the sole and exclusive remedy by which a judgment creditor of a member or member's transferee may satisfy a judgment from the judgment debtor's interest in a limited liability company or rights to distributions from the limited liability company.
(4)In the case of a limited liability company that has only one member, if a judgment creditor of a member or member's transferee establishes to the satisfaction of a court of competent jurisdiction that distributions under a charging order will not satisfy the judgment within a reasonable time, a charging order is not the sole and exclusive remedy by which the judgment creditor may satisfy the judgment against a judgment debtor who is the sole member of a limited liability company or the transferee of the sole member, and upon such showing, the court may order the sale of that interest in the limited liability company pursuant to a foreclosure sale. A judgment creditor may make a showing to the court that distributions under a charging order will not satisfy the judgment within a reasonable time at any time after the entry of the judgment and may do so at the same time that the judgment creditor applies for the entry of a charging order.
(5)If a limited liability company has only one member and the court orders a foreclosure sale of a judgment debtor's interest in the limited liability company or of a charging order lien against the sole member of the limited liability company pursuant to subsection (4):
(a)The purchaser at the court-ordered foreclosure sale obtains the member's entire limited liability company interest, not merely the rights of a transferee;
(b)The purchaser at the sale becomes the member of the limited liability company; and
(c)The person whose limited liability company interest is sold pursuant to the foreclosure sale or is the subject of the foreclosed charging order ceases to be a member of the limited liability company.
(6)In the case of a limited liability company that has more than one member, the remedy of foreclosure on a judgment debtor's interest in the limited liability company or against rights to distribution from the limited liability company is not available to a judgment creditor attempting to satisfy the judgment and may not be ordered by a court.
(7)This section does not limit any of the following:
(a)The rights of a creditor who has been granted a consensual security interest in a limited liability company interest to pursue the remedies available to the secured creditor under other law applicable to secured creditors.
(b)The principles of law and equity which affect fraudulent transfers.
(c)The availability of the equitable principles of alter ego, equitable lien, or constructive trust or other equitable principles not inconsistent with this section.
(d)The continuing jurisdiction of the court to enforce its charging order in a manner consistent with this section.

- There is no statutory provision on this for corporations

§ 605.0205. Liability for inaccurate information in filed record.

(1)If a record delivered to the department for filing under this chapter and filed by the department contains inaccurate information, a person who suffers a loss by reliance on such information may recover damages for the loss from:
(a)A person who signed the record, or caused another to sign it on the person's behalf, and knew the information was inaccurate at the time the record was signed; and
(b)Subject to subsection (2), a member of a member-managed limited liability company or a manager of a manager-managed limited liability company if:
1.The record was delivered for filing on behalf of the company; and
2.The member or manager had notice of the inaccuracy for a reasonably sufficient time before the information was relied upon so that, before the reliance, the member or manager reasonably could have:
a.Effected an amendment pursuant to s. 605.0202;
b.Filed a petition pursuant to s. 605.0204; or
c.Delivered to the department for filing a statement of change pursuant to s. 605.0114 or a statement of correction under s. 605.0209.
(2)To the extent that the operating agreement of a member-managed limited liability company expressly relieves a member of responsibility for maintaining the accuracy of information contained in records delivered on behalf of the company to the department for filing and imposes that responsibility on one or more other members, the liability stated in paragraph (1)(b) applies to those other members and not to the member that the operating agreement relieves of the responsibility.
(3)An individual who signs a record authorized or required to be filed under this chapter affirms under penalty of perjury that the information stated in the record is accurate.

- There is no statutory provision on this for corporations

§ 607.0152. Judicial proceedings regarding validity of corporate actions.
(1)Subject to subsection (4), upon application by the corporation, any successor entity to the corporation, a director of the corporation, any shareholder, beneficial shareholder, or unrestricted voting trust beneficial owner of the corporation, including any such shareholder, beneficial shareholder, or unrestricted voting trust beneficial owner as of the date of the defective corporate action ratified pursuant to s. 607.0147; or any other person claiming to be substantially and adversely affected by a ratification in accordance with s. 607.0147, the circuit court in the applicable county may take any one or more of the following actions:
(a)Determine the validity and effectiveness of any corporate action or defective corporate action ratified pursuant to s. 607.0147.
(b)Determine the validity and effectiveness of any ratification of any defective corporate action pursuant to s. 607.0147.
(c)Determine the validity and effectiveness of any defective corporate action not ratified or not ratified effectively pursuant to s. 607.0147.
(d)Determine the validity of any putative shares.
(e)Modify or waive any of the procedures specified in s. 607.0147 or s. 607.0148 to ratify a defective corporate action.

(2)In connection with an action brought under this section, the court may make such findings or issue such orders and take into account any one or more factors or considerations as it deems proper under the circumstances, including, but not limited to, any one or more of the factors, considerations, findings, and orders set forth in subsections (5) and (6).
(3)Service of process of the application under subsection (1) on the corporation may be made in any manner provided in chapter 48 for service on a corporation, and no other party need be joined in order for the court to adjudicate the matter. In an action filed by the corporation, the court may require that notice of the action be provided to other persons specified by the court and permit such other persons to intervene in the action.
(4)Notwithstanding any other law to the contrary, any action asserting that the ratification of a defective corporate action, and any putative shares issued as a result of such defective corporate action, should not be effective, or should be effective only on certain conditions, must be brought, if at all, within 120 days after the validation effective time.
(5)In connection with the resolution of matters under subsection (2), the court may consider any of the following:
(a)Whether the defective corporate action was originally approved or effectuated with the belief that the approval or effectuation was in compliance with the provisions of this chapter, the articles of incorporation, or the bylaws of the corporation.
(b)Whether the corporation and board of directors have treated the defective corporate action as a valid act or transaction and whether any person has acted in reliance on the public record that such defective corporate action was valid.
(c)Whether any person will be or was harmed by the ratification or validation of the defective corporate action, excluding any harm that would have resulted if the defective corporate action had been valid when approved or effectuated.
(d)Whether any person will be harmed by the failure to ratify or validate the defective corporate action.
(e)Whether the defective corporate action was a conflict of interest transaction.
(f)Any other factors or considerations the court deems just and equitable.
(6)In connection with an action under this section, the court may do any one or more of the following:
(a)Declare that a ratification in accordance with and pursuant to s. 607.0147 is not effective or shall only be effective at a time or upon conditions established by the court.
(b)Validate and declare effective any defective corporate action or putative shares and impose conditions upon such validation.
(c)Require measures to remedy or avoid harm to any person substantially and adversely affected by a ratification in accordance with and pursuant to s. 607.0147 or by any order of the court pursuant to this section, excluding any harm that would have resulted if the defective corporate action had been valid when approved or effectuated.

(d)Order the department to accept an instrument for filing with an effective time specified by the court, which effective time may be before or after the date and time of such order, provided that the filing date of such instrument shall be determined in accordance with s. 607.0123.
(e)Approve a stock ledger for the corporation that includes any shares ratified or validated in accordance with this section or s. 607.0147.
(f)Declare that the putative shares are valid shares or require a corporation to issue and deliver valid shares in place of any putative shares.
(g)Order that a meeting of holders of valid shares or putative shares be held and exercise such powers as it deems appropriate with respect to such a meeting.
(h)Declare that a defective corporate action validated by the court shall be effective as of the date and time of the defective corporate action or at such other date and time as determined by the court.
(i)Declare that putative shares validated by the court shall be deemed to be identical valid shares or fractions of valid shares as of the date and time originally issued or purportedly issued or at such other date and time as determined by the court.
(j)Require payment by the corporation of reasonable expenses, including attorney fees and costs, that the court finds just and equitable under the circumstances.
(k)Issue other orders as it deems necessary and proper under the circumstances.

- There is no statutory provision on this for LLCs

§ 607.08081. Removal of directors by judicial proceedings.
(1) The circuit court in the applicable county may remove a director from office, and may order other relief, including barring the director from reelection for a period prescribed by the court, in a proceeding commenced by or in the right of the corporation if the court finds that:
(a) The director engaged in fraudulent conduct with respect to the corporation or its shareholders, grossly abused the position of director, or intentionally inflicted harm on the corporation; and
(b) Considering the director's course of conduct and the inadequacy of other available remedies, removal or such other relief would be in the best interest of the corporation.
(2) A shareholder proceeding on behalf of the corporation under paragraph (1)(a) shall comply with all of the requirements of ss. 607.0741-607.0747, except s. 607.0741(1).

- There is no statutory provision on this for LLC's

§ 607.0749. Provisional director.
(1)In a proceeding by a shareholder, a provisional director may be appointed in the discretion of the court if it appears that such action by the court will remedy a situation in which the directors are deadlocked in the management of the corporate affairs and the shareholders are unable to break the deadlock. A provisional director may be appointed notwithstanding the absence of a vacancy on the board of directors, and such director shall have all the rights and powers of a duly elected director, including the right to notice of and to vote at meetings of directors, until such time as the provisional director is removed by order of the court or, unless otherwise ordered

by a court, removed by a vote of the shareholders sufficient either to elect a majority of the board of directors or, if greater than majority voting is required by the articles of incorporation or the bylaws, to elect the requisite number of directors needed to take action. A provisional director shall be an impartial person who is neither a shareholder nor a creditor of the corporation or of any subsidiary or affiliate of the corporation, and whose further qualifications, if any, may be determined by the court.
(2)A provisional director shall report from time to time to the court concerning the matter complained of, or the status of the deadlock, if any, and of the status of the corporation's business, as the court shall direct. No provisional director shall be liable for any action taken or decision made, except as directors may be liable under s. 607.0831. In addition, the provisional director shall submit to the court, if so directed, recommendations as to the appropriate disposition of the action. Whenever a provisional director is appointed, any officer or director of the corporation may, from time to time, petition the court for instructions clarifying the duties and responsibilities of such officer or director.
(3)In any proceeding under this section, the court shall allow reasonable compensation to the provisional director for services rendered and reimbursement or direct payment of reasonable costs and expenses, which amounts shall be paid by the corporation.

- There is no statutory provision on this for LLC

§ 607.0748. Shareholder action to appoint custodians or receivers.
(1)A circuit court may appoint one or more persons to be custodians or receivers of and for a corporation in a proceeding by a shareholder where it is established that:
(a)The directors are deadlocked in the management of the corporate affairs, the shareholders are unable to break the deadlock, and irreparable injury to the corporation is threatened or being suffered; or
(b)The directors or those in control of the corporation are acting fraudulently and irreparable injury to the corporation is threatened or being suffered.
(2)The court:
(a)May issue injunctions, appoint one or more temporary custodians or temporary receivers with all the powers and duties the court directs, take other action to preserve the corporate assets wherever located, and carry on the business of the corporation until a full hearing is held;
(b)Shall hold a full hearing, after notifying all parties to the proceeding and any interested persons designated by the court, before appointing a custodian or receiver; and
(c)Has jurisdiction over the corporation and all of its property, wherever located.
(3)The court may appoint a natural person, a domestic eligible entity, or a foreign eligible entity authorized to transact business in this state as a custodian or receiver and may require the custodian or receiver to post bond, with or without sureties, in an amount the court directs.
(4)The court shall describe the powers and duties of the custodian or receiver in its appointing order, which may be amended. Among other powers:

(a)A custodian may exercise all of the powers of the corporation, through or in place of its board of directors, to the extent necessary to manage the business and affairs of the corporation; and
(b)A receiver may dispose of all or any part of the assets of the corporation, wherever located, at a public or private sale, if authorized by the court, and may sue and defend in the receiver's own name as receiver in all courts of this state.
(5)During a custodianship, the court may redesignate the custodian a receiver and, during a receivership, the court may redesignate the receiver a custodian, in each case if doing so is in the best interests of the corporation.
(6)The court from time to time during the custodianship or receivership may order compensation paid and expense disbursements or reimbursements made to any custodian or receiver from the assets of the corporation or proceeds from the sale of its assets.

- There is no statutory provision on this for LLC's

§ 607.0747. Applicability to foreign corporations.
In any derivative proceeding in the right of a foreign corporation brought in the courts of this state, the matters covered by ss. 607.0741-607.0747 shall be governed by the laws of the jurisdiction of incorporation of the foreign corporation except for ss. 607.0743, 607.0745, and 607.0746.

- There is no statutory provision on this for LLC's

§ 607.0208. Forum selection.
(1)The articles of incorporation or the bylaws may require that any or all internal corporate claims be brought exclusively in any specified court or courts of this state and, if so specified, in any additional courts in this state or in any other jurisdictions with which the corporation has a reasonable relationship.
(2)A provision of the articles of incorporation or bylaws adopted under subsection (1) does not have the effect of conferring jurisdiction on any court or over any person or claim, and does not apply if none of the courts specified by such provision has the requisite personal and subject matter jurisdiction. If the court or courts in this state specified in a provision adopted under subsection (1) do not have the requisite personal and subject matter jurisdiction and another court in this state does have such jurisdiction, then the internal corporate claim may be brought in such other court, notwithstanding that such other court is not specified in such provision, or in any other court outside the state specified in such provision that has the requisite jurisdiction.
(3)No provision of the articles of incorporation or the bylaws may prohibit bringing an internal corporate claim in all courts in this state or require such claims to be determined by arbitration.
(4)For the purposes of this section, "internal corporate claim" means:
(a)Any claim that is based upon a violation of a duty under the laws of this state by a current or former director, officer, or shareholder in such capacity;
(b)Any derivative action or proceeding brought on behalf of the corporation;

(c)Any action asserting a claim arising pursuant to this chapter or the articles of incorporation or bylaws; or
(d)Any action asserting a claim governed by the internal affairs doctrine that is not included in paragraph (a), paragraph (b), or paragraph (c)

- There is no statutory provision on this for LLCs