

**LIMITED
LIABILITY
COMPANY**

LLC name reservation

mgr Agnieszka Regiec

**STATE OF DELAWARE
APPLICATION FOR RESERVATION OF
LIMITED LIABILITY COMPANY NAME
PURSUANT TO TITLE 6, SECTION 18-103
OF THE DELAWARE CODE**

**TO THE SECRETARY OF STATE
OF THE STATE OF DELAWARE:**

1. NAME AND ADDRESS OF APPLICANT: (if reserving for a company or firm, please list that first and list the individual reserving for such as the attention person)

2. PURSUANT TO THE PROVISIONS OF TITLE 6, SECTION 18-103 OF THE DELAWARE CODE, THE UNDERSIGNED HEREBY APPLIES \$75.00 FOR RESERVATION OF THE FOLLOWING LIMITED LIABILITY COMPANY NAME FOR A PERIOD OF 120 DAYS:

By: _____

Signature of Applicant

Name: _____

Print or Type

STATE *of* DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE *of* FORMATION

LIMITED
LIABILITY
COMPANY

Certificate of formation

mgr Agnieszka Regiec

First: The name of the limited liability company is _____

Second: The address of its registered office in the State of Delaware is _____
_____ in the City of _____
Zip code _____. The name of its Registered agent at such address is _____

Third: (Use this paragraph only if the company is to have a specific effective date of dissolution: "The latest date on which the limited liability company is to dissolve is _____.")

Fourth: (Insert any other matters the members determine to include herein.)

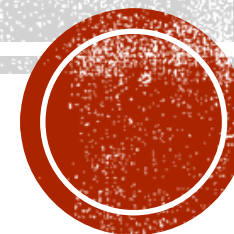
In Witness Whereof, the undersigned have executed this Certificate of Formation this _____ day of _____.

By: _____
Authorized Person (s)

Name: _____

LIMITED LIABILITY COMPANY

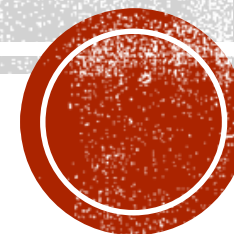
Statutes: DLLCA; RULLCA
Operating agreement



LIMITED LIABILITY COMPANY

Management:

- Member-managed (like a partnership) or
- manager-managed (similar to a corporation)



LIMITED LIABILITY COMPANY

LL shield – part 1:

a) The debts, obligations, or other liabilities of a limited liability company, whether arising in contract, tort, or otherwise:

(1) are solely the debts, obligations, or other liabilities of the company; and

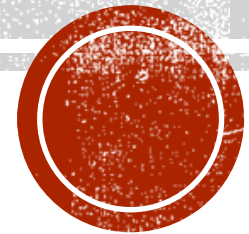
(2) do not become the debts, obligations, or other liabilities of a member or manager solely by reason of the member acting as a member or manager acting as a manager.



LIMITED LIABILITY COMPANY

LL shield – part 2:

b) The mere failure of a limited liability company to observe any particular formalities relating to the exercise of its powers or management of its activities is not a ground for imposing liability on the members or managers for the debts, obligations, or other liabilities of the company.



LIMITED LIABILITY COMPANY

Piercing the corporate veil

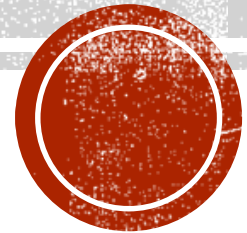
- Concept originated in corporate law
- Adjusted for the purposes of the LLC
- When? A court may pierce the corporate veil:
 - If there is fraud or
 - If the corporation is in fact a mere instrumentality or alter ego of its owner.



LIMITED LIABILITY COMPANY

Piercing the corporate veil – alter ego doctrine

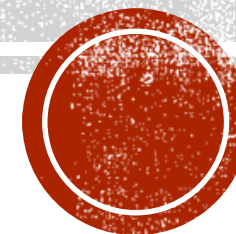
- No need for actual fraud
- A plaintiff must show – co-mingling of operations
AND element of injustice/unfairness



LIMITED LIABILITY COMPANY

Co-mingling

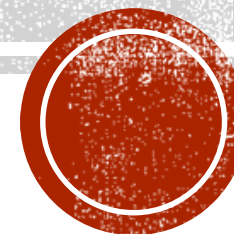
- Adequate capital
- Solvency
- Dividends
- Records
- Proper functioning of managers
- Formalities
- Facade for the owner



CORPORATION

Federal Law:

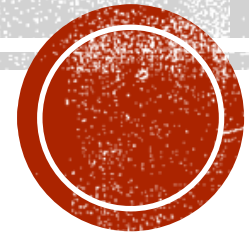
- Securities Exchange Act 1934;
- Sarbanes-Oxley Act 2002;
- Dodd-Frank 2010.



CORPORATION

„S” Corporation:

- domestic Corporation or LLC which chose to be taxed as Corp;
- 1 class of stock;
- maximum of 100 individual s-s;
- s-s US citizens or residents.



CORPORATION — ARTICLES OF INCORPORATION

Mandatory:

- Name – full, complete name reference to corporate status INC/corp;
- Registered office + agent;
- Capital structure (classes of stock, share capital, par value);
- Purpose and powers of the Corporation.

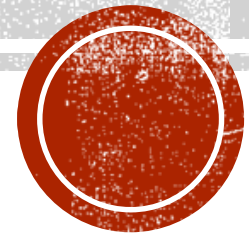
Optional:

- Size and composition of BoD;
- voting provisions;
- Membership requirements;
- management provisions;
- indemnification provisions.



CORPORATION — EQUITY RIGHTS

- dividend;
- liquidation rights;
- voting rights;
- conversion rights;
- redemption rights;
- preemptive rights.



CORPORATION — CAPITAL STRUCTURE

- no minimum share capital required; (Delaware still talks about share capital);
- financial statements (public) – work better at ensuring creditors rights;
- par value and no-par shares.



CORPORATION — BUSINESS JUDGMENT RULE

- procedural and substantive matters;
- presumption that directors in performing their duties are honest, well-meaning, well-informed, rational;
- presumption that the directors didn't breach the duty of care.

