

Summary of Series LLC Bill Proposal

A Series Limited Liability Company is an entity formed as a Limited Liability Company that has individual series, cells, divisions, internal funds, or portfolios. These are referred to as "series" within the LLC. The series may each have separate Members, Managers, assets and liabilities, and business purposes or investment objectives. The series are all organized under the umbrella of a single LLC, in order to make the operation of the company and the series most efficient for Members.

Each series within a Series LLC may be represented by a separate class or series of shares or membership interests. Members of each series participate solely in the investment results of that series. In effect, then, each series operates as a separate limited liability company, but they are able to utilize the single filing status, as well as efficient maximize shared resources within the Company.

Series LLCs have been approved in many other states, primarily for use in real estate holdings and management operations. The series provide flexibility and expanded planning and structural options to a state's existing LLC statutes, which is attractive to business owners and advisors. The Series LLC structures are also proposed as a proven and necessary corollary to Montana's growing captive and alternative risk transfer business, which has grown exponentially since 2004.