

## LLC Comparison Chart

### Limited Liability Company Act (2006)(Harmonized 2013) v. Rhode Island Liability Company Act, § 7-16-1 to § 7-16-76

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(March 1, 2023)

FEATURE	ULLCA (2006)(2013)	RHODE ISLAND
<b>OPERATING AGREEMENT</b>		
Mechanics		
Centralization of key provisions in operating agreement	<b>Centralization - §§ 105 - 107</b> Contain three key provisions dealing with the operating agreement: § 105 – scope, function & limitations; § 106 – effect on LLC and its members; and § 107 – effect on third parties and relationship to records.	<b>No</b> – There are provisions related to the operating agreement scattered throughout the statute.
Specific statement of operating agreement’s relationship to the statutory rules?	<b>Yes - § 105(b)</b> – “Default rules” in the Act govern matters not addressed by the operating agreement.	<b>No</b> – The statute does not contain a specific statement regarding operating agreement’s relationship to the statutory default rules.
Express authorization of operating agreement in SMLLCs?	<b>Yes - § 102(13)</b> – Definition states it is an agreement among all the members, including a sole member.	<b>Yes - § 7-16-2(23)</b> – definition states it is an agreement of the members, including a sole member
Oral v. written	<b>Either - § 102(13)</b> – Broad definition that states regardless of its name, the operating agreement is an agreement among all the members, whether oral, implied, or in a record.	<b>Either - § 7-16-2(23)</b>
Amendment	<b>Yes</b> – Unanimous consent of members required to amend operating agreement under <b>407(b)(4)(B)</b> [member-managed] and <b>407(c)(3)(B)</b> [manager-managed].	<b>§ 7-16-21</b> – An affirmative vote of members entitled to vote, <b>representing a majority of the capital values of all membership interests that have not been assigned</b>
Power to grant rights to third parties	<b>Yes - § 107(a)</b> – Operating agreement may permit non-members to have veto rights over amendments to the operating agreement (e.g. lenders, non-member managers).	<b>Unclear</b> – The statute is silent.
Binding on dissociated members and transferees	<b>Yes - § 107(b)</b> – Provides that dissociated member and transferee rights are subject to changes in the operating agreement that occur after the transfer, provided the changes do not impose a new liability on the dissociated member or transferee.	<b>Unclear</b> – The statute is silent.
Binding on LLC irrespective of LLC being a party	<b>Yes - § 106(a)</b> – LLC is bound by the operating agreement even if it has not manifested assent to the operating agreement	<b>Unclear</b> – The statute is silent.
<b>GOVERNANCE STRUCTURE</b>		
Management “templates”		
<ul style="list-style-type: none"> <li>▪ Provided</li> </ul>	<b>Yes - § 407</b> – Provides default rules for two types of management structure: member-managed and manager-managed.	<b>Yes – § 7-16-14:</b> unless the articles of organization or a written operating agreement provide for management by or under the authority of managers, the LLC shall be managed by the members  Default rules for members: <b>§ 7-16-14</b> Default rules for managers: <b>§§ 7-16-15 to 7-16-20</b>
<ul style="list-style-type: none"> <li>▪ Required</li> </ul>	<b>No - § 407(b) &amp; (c)</b> - Default rules are subject to the operating agreement under <b>§ 105</b> (see comments to § 407).	<b>No - § 7-16-15</b> – Default rules are subject to the articles of organization or a written operating agreement.

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Voting/consent	<p>§ 407 - provides centralized list of matters requiring member consent for member-managed and manager-managed LLCs. Default rules are: <b>Majority consent</b> of members or managers required for matters within the ordinary course of business; <b>unanimous consent</b> of members required for matters outside ordinary course of business and to amend the operating agreement. See § 407(b)(3)-(4); § 407(c)(1),(3); § 1023(a); § 1033(a); § 1043(a); § 1053(a) (default rule is unanimous consent for mergers, interest exchanges, conversions and domestications).</p>	<p>§ 7-16-19 – Provides that managers shall act by majority vote for a manager-managed LLC.</p> <p>§ 7-16-21 – Provides list of matters requiring members’ affirmative votes.</p> <p><b>Unanimous consent</b> of members is required to 1) terminate a member’s obligation to make a capital contribution; 2) make an interim distribution; and 3) grant membership status to an assignee of an interest in the LLC. (See §§ 7-16-25(d), 7-16-28, 7-16-36.)</p>
<b>GOVERNANCE DUTIES</b>		
Definition and structure		
<ul style="list-style-type: none"> <li>▪ Loyalty</li> </ul>	<p>§ 409(b) &amp; (i)(1) – Members in a member managed LLC and managers in a manager managed LLC owe to the LLC and members fiduciary duty of loyalty: account for LLC property, refrain from self-dealing and competition and appropriation of a company opportunity.</p>	<p>§§ 7-16-17(e) to 7-16-18(b) – Members in a member-managed LLC and managers in a manager-managed LLC owe the LLC the duty of loyalty: to refrain from self-dealing, account for the LLC, etc.</p>
<ul style="list-style-type: none"> <li>▪ Care</li> </ul>	<p>§ 409(c) &amp; (i)(1) – Members in a member managed LLC and Managers in a manager managed LLC owe to LLC and the members a duty of care: refrain from grossly negligent or reckless conduct, intentional misconduct, and knowing violation of law.</p>	<p>§§ 7-16-17(a) to 7-16-18(b)(2) – The manager must act “with the care that an ordinarily prudent person in a similar position would use under the circumstances, and in the manner the manager reasonably believes to be in the best interests of the limited liability company.”</p>
<ul style="list-style-type: none"> <li>▪ Contractual duty of good faith and fair dealing</li> </ul>	<p>§ 409(d) &amp; (i)(3) – Members and managers shall discharge duties and obligations consistently with the contractual obligation of good faith and fair dealing. This duty cannot be eliminated; but the operating agreement may prescribe the standards by which performance is to be measured, if not manifestly unreasonable.</p>	<p>§ 7-16-17 – Members and managers must act in good faith. There is no limiting the personal liability for a member or manager whose acts or omissions are not in good faith or which involve intentional misconduct or a knowing violation of the law.</p>
Operating agreement power to limit, eliminate loyalty, care and good faith and fair dealing	<p>§ 105(c)(6), (d)(3) – If not “manifestly unreasonable” [defined in (e)], the operating agreement may:</p> <ol style="list-style-type: none"> <li>(1) restrict or eliminate aspects of the duty of loyalty stated in § 409(b) &amp; (i)(1);</li> <li>(2) alter duty of care except to authorize intentional misconduct or conduct involving bad faith, willful or intentional misconduct, or a knowing violation of law;</li> <li>(3) eliminate or alter other fiduciary duties not codified in the Act; and</li> <li>(4) prescribe standards to measure performance of the obligation of good faith under § 409(d).</li> </ol>	<p>§ 7-16-18 – The articles of organization or operating agreement may eliminate or limit the personal liability of a manager to the LLC or its members for monetary damages for breach of any duty, but <b>cannot eliminate or limit liability for:</b></p> <ol style="list-style-type: none"> <li>(1) breach of manager’s duty of loyalty;</li> <li>(2) acts or omissions not in good faith;</li> <li>(3) wrongful distributions; and</li> <li>(4) transactions from which the manager received an improper benefit.</li> </ol>

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Operating agreement power to limit or eliminate liability for breach of duties	<b>Yes - § 105(c)(7)</b> – except for conduct involving bad faith, willful or intentional misconduct, a knowing violation of law.	<b>Yes - § 7-16-18</b> -- The articles of organization or operating agreement may eliminate or limit the personal liability of a manager to the LLC or to its members for monetary damages for breach of duty, <b>but it cannot eliminate or limit the liability of a manager for breach of duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct, etc.</b>
<b>AGENCY POWER OF MEMBERS</b>		
Authority to bind LLC determined by agency law <i>not</i> status	<b>Yes - § 301</b> Member is not an agent of the LLC solely by being a member; authority of member or managers to bind LLC is determined by other law (especially agency law).	<b>No - § 7-16-20</b> – Rhode Island uses a statutory apparent authority scheme for its LLC act.
Statement of authority	<b>Permitted – § 302</b> – Statements of authority pertaining to position may be filed in the Secretary of State’s office (and in the case of real estate in the office where real estate records are kept) to provide notice that only certain members or managers have authority to conduct business on behalf of the LLC.	<b>Unclear</b> – The statute is silent.
Statement of denial	<b>Permitted - § 303</b> – Operates as a restrictive amendment to a statement of authority.	<b>Unclear</b> – The statute is silent.
<b>MEMBERSHIP</b>		
Definition	<b>§ 102(11)</b> – “Member” is defined as a person who has become a member of the LLC or was a member when the company became subject to the act, and has not dissociated.	<b>§ 7-16-2(20)</b> – “Member” is defined as a person with an <b>ownership interest in a limited liability company with the rights and obligations specified under this chapter.</b>

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Becoming a member	<p>§ 401 – If the LLC is to have only one member upon formation, that person becomes a member as agreed by the person and company’s organizer. The member may be the organizer.</p> <p>If LLC is to have more than one member upon formation, those persons become members as agreed before the company’s formation. Organizer acts on their behalf and may be one of them.</p> <p>After formation, a person becomes a member in one of four ways: 1) under operating agreement; 2) through an Article 10 transaction; 3) by members’ unanimous vote; or 4) after company has no members for 90 days, transferees entitled to receive a majority of the company’s distributions may consent to adding a new member. <i>See</i> § 701(a)(3)(A).</p> <p>A person may become a member without acquiring a transferable interest or being obligated to contribute.</p> <p>If a transferee becomes a member, the transferee is liable for the member’s contribution obligations and for claw back of improper distributions made to the member. <i>See</i> § 502(h).</p>	<p>§ 7-16-5 – One or more persons may form a LLC and become members by delivering executed articles of organization to the Secretary of State for filing.</p> <p>§ 7-16-36 – The members of the LLC must unanimously consent to granting assignee membership status.</p> <p>§ 7-16-38 – Articles of organization or operating agreement may also state how a person becomes a member of the LLC.</p> <p>There is no single section to describe all the ways in which a person becomes a member; rather, this information is scattered throughout the statute.</p>
<b>FINANCES</b>		
Acceptable forms of contributions	<p>§ 402 – Property, services performed other benefits, or any agreement to provide same.</p>	<p>§ 7-16-2(5) – “capital contribution” means any cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property.</p>
Allocation of distributions	<p>§ 404 – Default rule is that distributions before dissolution must be in equal shares among members and dissociated members, except to comply with transferee obligations and charging orders.</p> <p>§ 405 – No distribution allowed if company would be</p> <ol style="list-style-type: none"> <li>(1) unable to pay debts; or</li> <li>(2) if total assets would be less than total liabilities, plus any amount needed to satisfy preferential rights.</li> </ol>	<p>§ 7-16-27 – Default rule is that distribution shall be allocated to each member based on the member’s capital value.</p> <p>§ 7-16-31 – No distribution is permitted if the LLC would be</p> <ol style="list-style-type: none"> <li>(1) unable to pay debts; or</li> <li>(2) if total assets would be less than total liabilities, plus any amount needed to satisfy preferential rights.</li> </ol>
Express provisions for capital accounts and profit and loss allocations	<p>No – ULLCA follows both RUPA (1997) (Last Amended 2013) and ULPA (2001) (Last Amended 2013) by omitting the default rule for allocation of losses. Distribution rules are sufficient to determine tax allocation of losses.</p>	<p>§ 7-16-26 – Allocation of losses is determined based on member’s capital value.</p>

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Liability for contributions	§ 403 – A person’s obligation is not excused by death, disability, or other inability to perform; creditors may enforce this obligation. If a person does not make a required non-cash contribution, the person is obligated at option of the company to contribute money value. An obligation may be compromised by unanimous consent of members.	§ 7-16-25 – A person’s obligation is not excused by death, disability, or other reason; creditors may enforce the obligation. If a person does not make a required non-cash contribution, then the person is obligated at the LLC’s option to contribute the money value of that contribution. An obligation may be compromised only by unanimous consent of members.
Limitations on distributions	§ 405 – Alternative tests (1) not able to pay the debts as they become due in the ordinary course of business; or (2) total assets less than total liabilities.	Same - § 7-16-31 – Test is either (1) unable to pay debts as they become due in the ordinary course of business; or (2) total assets less than total liabilities, plus any amount needed to satisfy preferential rights.
Liability for improper distributions	§ 406 – Two types of liability specified: (1) personal liability of the members/managers who consent to an improper distribution; and (2) liability to return the excess by recipients who knew the distribution was improper. Two year statute of limitations to bring action for recovery of excess.	Same - § 7-16-32 – There is personal liability of members/managers who assent to an improper distribution; contribution to the liable individual(s) from each other member or manager who could have been liable and from each member who received a distribution knowing it was made in violation of the law.
Right to transfer financial interest	Yes - § 502 – Reflects the “pick your partner” principle and delimits the rights of transferees; a member can transfer only his/her financial interest, not management or governance rights. Transfer of certificates evidencing the interest is permitted. A transferee has no right to information except an accounting after dissolution.	Yes - § 7-16-35 – Also uses the “pick your partner” principle to delimit the right of the assignee; a member can transfer his/her financial interest, but not management or governance powers.
<b>DISSOCIATION &amp; DISSOLUTION</b>		
Dissociation	§ 601 – The default rule gives a member the power to dissociate; but if the dissociation is wrongful, the member is liable for damages and is still liable for any unpaid contributions or other debts owed to the LLC. § 602 set forth the causes of disassociation.	Unclear – The statute is silent.
Effect of Dissociation	§ 603 – The member’s right to participate in the management and conduct of the business terminates. The former member is a mere transferee and has only the right to receive distributions. The dissociation does not trigger any distributions; but the former member does receive a proportionate share of future distributions.	Unclear – The statute is silent.

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Dissolution	<p>§ 701 – Lists the causes of dissolution, including court ordered dissolution (see below);</p> <p>§§ 702-707 – winding up and disposition of assets.</p> <p>§§ 708-710 – authorizes the Secretary of State to administratively dissolve an LLC for failure:</p> <ol style="list-style-type: none"> <li>(1) to pay taxes of fees owed to the SOS;</li> <li>(2) 6-month delinquency in filing an annual report; or</li> <li>(3) failure to have a registered agent for 60 consecutive days.</li> </ol> <p>There is a right of reinstatement within two years if the deficiencies are cured.</p>	<p>§ 7-16-39 – Lists the causes of dissolution</p> <p>§ 7-16-40 – Permits judicial dissolution</p> <p>§ 7-16-45 – winding up</p> <p>§ 7-16-41 – Authorizes Secretary of State to administratively dissolve an LLC for failure to file its annual report, failure to pay taxes or fees owed to the SoS, failure to appoint and maintain a resident agent in the state for 30 days, etc.</p> <p>§ 7-16-43: There is a right of reinstatement within 10 years if deficiencies are cured.</p>
Court Ordered Dissociation (Expulsion)	<p>§ 602(6) – On application by the LLC or a member to expel a member because the member:</p> <ol style="list-style-type: none"> <li>(1) has engaged or is engaging in wrongful conduct that has adversely and materially affected the LLC’s activities;</li> <li>(2) has committed willfully or persistently a material breach of the operating agreement or a duty or obligation under § 409; or</li> <li>(3) has engaged or is engaging in conduct which makes it not reasonably practical to carry on the activities of the LLC with the person as a member.</li> </ol> <p>This provision is a default rule that can be varied or eliminated.</p>	<p><b>Unclear</b> – The statute is silent.</p>
Court Ordered Dissolution	<p>§ 701(4) – On application by a member that:</p> <ol style="list-style-type: none"> <li>(1) the conduct of all or substantially all the LLC’s activities is unlawful;</li> <li>(2) it is not reasonably practicable to carry on the LLC’s activities in conformity with the certificate of organization and the operating agreement; or</li> <li>(3) the managers or those members in control of the LLC have acted, are acting, or will act in a manner that is illegal, or fraudulent or in a manner that is oppressive and was, or will be directly harmful to the applicant.</li> </ol> <p>This right cannot be modified or eliminated by the operating agreement. Remedies other than dissolution authorized</p>	<p>§ 7-16-40 – On application by or on behalf of a member, the superior court may decree dissolution of an LLC when it is “not reasonably practicable to carry on the business in conformity with the articles of organization or operating agreement.”</p>

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Express authorization for direct and derivative provisions	<b>Yes to both</b> – Express distinction between direct/derivative lawsuits; § 801 allows a member to bring a direct action for injuries to that member and § 802-06 allows a member to bring a derivative action to enforce the right of an LLC.	<b>No express authorization for direct lawsuits</b>  § 7-16-56 – Provides express authorization for a derivative action to enforce the right of an LLC.
<b>MANDATED DISCLOSURE OF INFORMATION</b>		
Certificate/articles of organization	<p>§ 201(b) – Certificate of organization must state the LLC's</p> <ol style="list-style-type: none"> <li>(1) name,</li> <li>(2) address of the company's principal office, and</li> <li>(3) the name and in-state address of the company's registered agent.</li> </ol>	<p>§ 7-16-6 – Articles of organization must state:</p> <ol style="list-style-type: none"> <li>(1) LLC's name;</li> <li>(2) address of company's principal office;</li> <li>(3) name and address of its resident agent in the state;</li> <li>(4) name and address of a person authorized to sign and who does sign the articles of organization;</li> <li>(5) <i>whether, under the articles of organization and any written operating agreement, the LLC is intended to be treated as a partnership, a corporation, or disregarded as an entity separate from its members for purposes of federal income tax;</i></li> <li>(6) <i>whether the LLC is member-managed or manager-managed (with name and address of each manager)</i></li> </ol>
Annual reports	<p>§ 212(a) – Annual report must state:</p> <ol style="list-style-type: none"> <li>(1) name of the LLC;</li> <li>(2) name and street and mailing address of its registered agent in this state;</li> <li>(3) street and mailing addresses of its principal office;</li> <li>(4) if the company is member managed, name of at least one member;</li> <li>(5) if company is manager managed, the name of at least one manager; and</li> <li>(6) in the case of a foreign company, its jurisdiction of formation and any alternate name adopted under 906(a).</li> </ol>	<p>§ 7-16-66 – Annual report must state:</p> <ol style="list-style-type: none"> <li>(1) name and address of LLC's principal office;</li> <li>(2) state or other jurisdiction under the laws of which it is formed;</li> <li>(3) name and address of LLC's registered agent;</li> <li>(4) mailing address of LLC and name/title of person to whom the mail should be addressed;</li> <li>(5) character of the business in which the LLC is engaged in the state;</li> <li>(6) any additional information required by SoS;</li> <li>(7) name and address of the LLC's managers.</li> </ol>

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Access to records	<p><b>§ 410</b> – Separate provision for member-managed and manager-managed LLCs. In a member-managed LLC members may inspect and copy any records maintained by the company that are material to the member’s rights and duties under the operating agreement under the following conditions:</p> <ol style="list-style-type: none"> <li>1) member gives reasonable notice (response due not later than 10 days after receipt of the demand);</li> <li>2) member inspects records during office hours; and</li> <li>3) member inspects records at a reasonable location specified by the company.</li> </ol> <p>Without demand, the company must furnish to members any information material to members’ exercise of duties and rights.</p> <p>In a manager-managed LLC, managers have the information rights of members in a member-managed LLC, and members have information rights related to the member’s interest as a member.</p> <p>The LLC has 10 days to accept, reject or limit the requested access.</p> <p>Dissociated members have rights to information relating to the time the former member was a member.</p> <p>A transferee is not entitled to any information rights.</p> <p>Under <b>§ 105(c)(8)</b> an operating agreement may impose reasonable restrictions on access and use of information obtained under <b>§ 410</b> and may specify appropriate remedies, including liquidated damages, for breach of any restrictions.</p>	<p><b>§ 7-16-22</b> – Requires a LLC to keep the following information on file in its principal office:</p> <ol style="list-style-type: none"> <li>(1) current list of full name and last known address of every member and manager;</li> <li>(2) records that show the capital values and relative voting rights of members;</li> <li>(3) copy of the articles that would enable a member to determine the capital values and the relative voting rights of the members</li> <li>(4) copies of any powers of attorney to which any certification has been executed</li> <li>(5) copies of the federal, state, and local income tax returns and reports for the 5 most recent years</li> <li>(6) a copy of any written operating agreement</li> <li>(7) any written records of proceedings of the members or managers</li> <li>(8) copies of any financial statements for the 5 most recent years</li> </ol> <p>Permits members to inspect and copy any LLC records, at the member’s own expense, upon reasonable request.</p> <p>The section does not specifically state how access to information works in a manager-managed LLC.</p>
<b>CREDITORS RIGHTS AGAINST MEMBERS/CHARGING ORDERS</b>		
Exclusive remedy	<p><b>Yes - § 503(h)</b> – Charging order is the exclusive remedy for a judgment creditor of a member/transferee to obtain a member/transferee’s financial rights to distributions from the LLC. A secured creditor retains UCC Article 9 remedies.</p>	<p><b>Unclear – § 7-16-37</b> – Rhode Island’s LLC statute does permit charging orders for judgment creditors of members, but does not state if this is the exclusive remedy for judgment creditors.</p>
Foreclosure Authorized	<p><b>Yes - § 503(c)</b> – Court may foreclose the charging order/lien and order the sale of the transferable interest.</p>	<p><b>Unclear</b> – The statute is silent.</p>



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Effect of foreclosure at sale	§ 503(c) – Purchaser of a foreclosed interest only obtains financial rights and does not become a member, except in the case of a foreclosure of a charging order lien against the sole member of an LLC. <i>See</i> § 503(f).	<b>Unclear</b> – The statute is silent.
Redemption rights	<b>Yes</b> - § 503(d) & (e) – Before foreclosure, the member or transferee whose interest is subject to the charging order may satisfy the judgment; or the LLC or a member not subject to the charging order may pay the judgment creditor the full amount due.	<b>Unclear</b> – The statute is silent.
<b>REORGANIZATION – (DOMESTICATION, MERGER, INTEREST EXCHANGE, CONVERSION)</b>		
Provided for	<b>Yes</b> - Article 10 provides for mergers, conversions, interest exchanges, and domestications. An LLC can merge or convert into another type of entity and other types of entities can merge or convert into an LLC. An LLC can exchange interests with another entity. An LLC can domesticate in another state and a foreign LLC can domesticate in the enacting state.	<b>Yes</b> -- § 7-16-59 – A domestic or foreign LLC may merge or consolidate with or into one or more domestic or foreign LLCs, LPs, or corporations. One or more LPs or corporations may also merge/consolidate with or into any domestic or foreign LLCs.
Vote required	<b>Unanimous consent</b> – Subject to the operating agreement, § 407(b)(4)(A) for member-managed LLCs and § 407(c)(3)(A) for manager-managed LLCs requires the consent of all members to approve an Article 10 transaction.	§ 7-16-21(b)(3) – <b>Majority vote</b> required to approve LLC merger/consolidation.
Appraisal (Dissenters’) rights	<b>No express</b> provision because unanimous consent is required for Article 10 transactions; but § 1007 preserves appraisal rights authorized by other law for other entities that are parties to transaction and also authorizes enforcement of contractual appraisal rights in an LLC’s operating agreement or the Plan.	<b>Unclear</b> – The statute is silent.
<b>TECHNICAL IMPROVEMENTS</b>		
Organization and navigation	Drafted in organized manner to provide ease of navigation; succinct provisions, avoids “over-corporatization.”	
Formation	§ 201- A LLC is formed when the certificate of organization is effective and at least one person has become a member.	§ 7-16-5 – A LLC is formed when the Secretary of State accepts the articles of organization for filing and issues the certificate of organization. One or more persons must deliver the executed articles of organization to the Secretary of State.
Permissible purpose	§ 108 – LLC is not restricted to for-profit business activities, but may engage in “any lawful purpose, regardless of whether for profit.” This expands the availability of LLCs to family vacation homes and organizations whose activities might be classified as non-profit.	§ 7-16-3 – LLC is a company that has the purpose of “engaging in any lawful business . . . unless a more limited purpose . . . is set forth in the articles of organization.”

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Choice of law – internal affairs doctrine recognized	<p>§ 104 – Law of this state governs internal affairs of an LLC formed in this state and cannot be altered under § 105(c)(1).</p> <p>§ 901 – Law of the state of formation governs internal affairs and liability shield (including the internal series shield) of a foreign LLC.</p>	<p>§ 7-16-2(16) – Laws of this state govern the formation and existence of a domestic LLC.</p> <p>§ 7-16-2(14) – Laws of the state of formation govern a foreign LLC.</p>
Scope of liability shield	§ 304 – No status liability for members and managers, including after dissolution; formality failure is not a piercing element.	<b>Unclear – The statute is silent.</b>
Freedom of contract	<b>No express provision</b> but principles inherent throughout. The Act contains a basic set of internal affairs default rules, most of which can be altered by the operating agreement.	No express provision.
Name requirements and other filing requirements; registered agents	§§ 112-20 and 201-212 contain state- of-the-art filing provisions that will accommodate electronic filing of documents, if and when authorized by the enacting state; and also modernized registered agent provisions.	<p>§ 7-16-2(11) – Permits electronic delivery/filing.</p> <p>§ 7-16-8 – Filing requirements, generally</p>
Statute of Frauds not applicable to operating agreement	<b>No</b> – Common law statute of frauds applies.	<b>Unclear</b> – The statute is silent.
Indemnification	§ 408 – No indemnification for breach of distribution limitations or breach of management duties and responsibilities. Specific authorization for advance of fees and expenses.	§ 7-16-4(11) – The statute authorizes advance of expenses and fees to any member, manager, agent, or employee.
Foreign LLCs – modern language re:	<b>Article 9</b> – Specific provisions relating to foreign LLCs.	§§ 7-16-48 through 7-16-55 – The statute has many provisions specific to foreign LLCs.
Acts not constituting doing business in state	§ 905 – Lists specific activities that do not constitute transacting business in this state.	<b>Unclear</b> – The statute is silent.
Consequences of doing business without having proper certificate of authority	§ 902(b) – An unregistered foreign LLC that transacts business in the state may not maintain an action or court proceeding.	<b>Same</b> – § 7-16-54 – An unregistered foreign LLC that transacts business in the state may not maintain an action or court proceeding.