

275.280 Cessation of membership.

- (1) A person shall disassociate from and cease to be a member of a limited liability company upon the occurrence of one (1) or more of the following events:
 - (a) Subject to the provisions of subsection (3) of this section, the member withdraws by voluntary act from the limited liability company;
 - (b) The member ceases to be a member of the limited liability company as provided in KRS 275.265;
 - (c) The member is removed as a member:
 1. In accordance with a written operating agreement;
 2. Unless otherwise provided in a written operating agreement, if after an assignment there is at least one (1) other member, when the member assigns all of the member's limited liability company interest that may be unilaterally assigned, upon receipt of the written consent of a majority-in-interest of the members who have not assigned their interest;
 3. If after the assignment there are no other members, upon the effective time and date of the assignment; or
 4. Upon resignation as a member;
 - (d) Unless otherwise provided in a written operating agreement or by written consent of majority-in-interest of the members, at the time the member:
 1. Makes an assignment for the benefit of creditors;
 2. Files a voluntary petition in bankruptcy;
 3. Is adjudicated bankrupt or insolvent;
 4. Files a petition or answer seeking for the member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
 5. Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the member in any proceeding of this nature; or
 6. Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the member or of all or any substantial part of the member's property;
 - (e) Unless otherwise provided in a written operating agreement or by written consent of a majority-in-interest of the members remaining at the time, if within one hundred twenty (120) days after the commencement of any proceeding against the member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, the proceeding has not been dismissed, or if within one hundred twenty (120) days after the appointment without the member's consent or acquiescence of a trustee, receiver, or liquidator of the member, or of all or any substantial part of the member's properties, the appointment is not vacated or stayed or within one hundred twenty (120) days after the expiration of any stay, the appointment is not vacated;

- (f) Unless otherwise provided in a written operating agreement or by written consent of a majority-in-interest of the members remaining at the time, in the case of a member that is an individual:
 - 1. The member's death; or
 - 2. The entry of an order by a court of competent jurisdiction adjudicating the member incompetent to manage his or her person or estate;
 - (g) Unless otherwise provided in a written operating agreement or by written consent of a majority-in-interest of the members remaining at the time, in the case of a member that is a trust or is acting as a member by virtue of being a trustee of a trust, the termination of the trust, but not merely the substitution of a new trustee;
 - (h) Unless otherwise provided in a written operating agreement or by written consent of a majority-in-interest of the members remaining at the time, in the case of a member that is a separate limited liability company, the dissolution and commencement of winding up of the separate limited liability company;
 - (i) Unless otherwise provided in a written operating agreement or by written consent of the majority-in-interest of the members remaining at the time, in the case of a member that is a corporation, the filing of articles of dissolution or the equivalent for the corporation or the revocation of its articles of incorporation and the lapse of ninety (90) days after notice to the corporation of revocation without a reinstatement of its articles of incorporation; or
 - (j) Unless otherwise provided in a written operating agreement or by written consent of a majority-in-interest of the members remaining at the time, in the case of an estate, the distribution by the fiduciary of the estate's entire interest in the limited liability company.
- (2) The members may provide in a written operating agreement for other events the occurrence of which shall result in a person ceasing to be a member of the limited liability company.
 - (3) Unless otherwise provided in a written operating agreement:
 - (a) In a member-managed limited liability company a member may resign from a limited liability company upon thirty (30) days' prior written notice to the limited liability company; and
 - (b) In a manager-managed limited liability company, a member may not resign without the consent of all other members.
 - (4) Upon the effective date of the resignation, the resigning member shall be dissociated from and cease to be a member of the limited liability company and shall be with respect to the resigning member's limited liability company interest an assignee thereof.
 - (5) The successor-in-interest of a disassociated member shall be an assignee.

Effective: July 12, 2012

History: Amended 2012 Ky. Acts ch. 81, sec. 109, effective July 12, 2012. -- Amended 2011 Ky. Acts ch. 29, sec. 15, effective June 8, 2011. -- Amended 2010 Ky. Acts ch. 133, sec. 37, effective July 15, 2010. -- Amended 1998 Ky.

Acts ch. 341, sec. 37, effective July 15, 1998. -- Created 1994 Ky. Acts ch. 389, sec. 56, effective July 15, 1994.