

275.172 Expulsion of member of limited liability company -- Conditions.

- (1) On application by the limited liability company, a person is expelled as a member by judicial order:
 - (a) If the person has engaged or is engaging in wrongful conduct that has adversely and materially affected, or will adversely and materially affect, the company's activities;
 - (b) If the person has willfully or persistently committed, or is willfully and persistently committing, a material breach of the operating agreement or the person's duties or obligations under KRS 275.170;
 - (c) If the person has engaged or is engaging in conduct relating to the company's activities which makes it not reasonably practicable to carry on the activities with the person as a member; or
 - (d) For such other reasons as are set forth in a written agreement.
- (2) Upon the effective date of the expulsion, the expelled member shall be dissociated from and cease to be a member of the company and with respect to the expelled member's limited liability company interest shall be an assignee.
- (3) Except as set forth in a written operating agreement, the dissociation of a member in accordance with this section does not entitle the former member or any assignee to any distribution.

Effective: June 29, 2017

History: Created 2017 Ky. Acts ch. 193, sec. 2, effective June 29, 2017.