

O.C.G.A. § 14-11-101

GEORGIA CODE
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*** Current Through the 2013 Regular Session ***

TITLE 14. CORPORATIONS, PARTNERSHIPS, AND ASSOCIATIONS
CHAPTER 11. LIMITED LIABILITY COMPANIES
ARTICLE 1. GENERAL PROVISIONS

O.C.G.A. § 14-11-101 (2013)

§ 14-11-101. Definitions

As used in this chapter, unless the context otherwise requires, the term:

(1) "Articles of organization" means the articles filed under Code Section 14-11-203 and such articles as amended or restated.

(2) "Business entity" means a limited liability company, a foreign limited liability company, a limited partnership, a foreign limited partnership, a general partnership, a corporation, or a foreign corporation.

(3) "Conflicting interest" with respect to a limited liability company means the interest a member or manager of the limited liability company has respecting a transaction effected or proposed to be effected by the limited liability company (or by a person in which the limited liability company has a controlling interest), with respect to which the member or manager has the power to act or vote, if:

(A) Whether or not the transaction is brought before the members or managers responsible for the decision, as the case may be, of the

limited liability company for action, to the knowledge of the member or manager at the time of commitment, he or she or a related person is a party to the transaction or has a beneficial financial interest in or so closely linked to the transaction and of such financial significance to the member or manager or a related person that it would reasonably be expected to exert an influence on the member or manager's judgment if he or she were called upon to vote on the transaction; or

(B) The transaction is brought (or is of such character and significance to the limited liability company that it would in the normal course be brought) before the members or managers responsible for the decision, as the case may be, of the limited liability company for action and, to the knowledge of the member or manager at the time of commitment, any of the following persons is either a party to the transaction or has a beneficial financial interest so closely linked to the transaction and of such financial significance to that person that it would reasonably be expected to exert an influence on the member or manager's judgment if he or she were called upon to vote on the transaction: an entity (other than the limited liability company) of which the member or manager is a director, general partner, member, manager, agent, or employee; an entity that controls, is controlled by, or is under common control with one or more of the entities specified in the preceding clause; or an individual who is a general partner, principal, or employer of the member or manager.

(4) "Contribution" means a contribution to the capital of a limited liability company authorized by Code Section 14-11-401.

(5) "Corporation" means a corporation incorporated under Chapter 2 of this title.

(6) "Distribution" means a direct or indirect transfer of money or other property (except its own limited liability company interests) by a limited liability company to or for the benefit of its members or their assignees in respect of any of its limited liability company interests. A distribution may be in the form of a transfer of money or other property; a purchase, redemption, or other acquisition of a limited liability company interest; a distribution of indebtedness; or otherwise.

(6.1) "Electronic transmission" or "electronically transmitted" means any process of communication not directly involving the physical

transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient.

(7) "Event of dissociation" means an event that causes a person to cease to be a member, as provided in Code Section 14-11-601 or 14-11-601.1.

(8) "Foreign corporation" means a corporation for profit formed under the laws of a jurisdiction other than this state.

(9) "Foreign limited liability company" means a limited liability company formed under the laws of a jurisdiction other than this state.

(10) "Foreign limited partnership" means a limited partnership formed under the laws of a jurisdiction other than this state.

(11) "General partnership" means a partnership (other than a limited partnership) existing under the laws of this state or the laws of any other jurisdiction.

(12) "Limited liability company" means a limited liability company formed under this chapter.

(13) "Limited liability company interest" means a member's share of the profits and losses of a limited liability company and a member's right to receive distributions.

(14) "Limited partnership" means a limited partnership formed under the laws of this state.

(15) "Manager" means a person in whom management is vested in accordance with subsection (b) of Code Section 14-11-304.

(16) "Member" means a person who has been admitted to a limited liability company as a member as provided in Code Section 14-11-505 and who has not ceased to be a member as provided in Code Section 14-11-601 or 14-11-601.1.

(17) "Member or manager's conflicting interest transaction" with respect to a limited liability company means a transaction effected or proposed to be effected by the limited liability company (or by a

person in which the limited liability company has a controlling interest) respecting which a member or manager of the limited liability company having the power to act or vote has a conflicting interest.

(18) "Operating agreement" means any agreement, written or oral, of the member or members as to the conduct of the business and affairs of a limited liability company. In the case of a limited liability company with only one member, a writing signed by that member stating that it is intended to be a written operating agreement shall constitute a written operating agreement and shall not be unenforceable by reason of there being only one person who is a party to the operating agreement. A limited liability company is not required to execute its operating agreement and, except as otherwise provided in the operating agreement, is bound by its operating agreement whether or not the limited liability company executes the operating agreement. An operating agreement may provide enforceable rights to any person, including a person who is not a party to the operating agreement, to the extent set forth therein.

(19) "Person" means an individual, business entity, business trust, estate, trust, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

(20) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

(21) "Related person" of a member or manager means:

(A) A child, grandchild, sibling, parent, or spouse of, or an individual occupying the same household as, the member or manager or a trust or estate of which an individual specified in this subparagraph is a substantial beneficiary; or

(B) A trust, estate, incompetent, conservator, or minor of which the member or manager is a fiduciary.

(22) "Required disclosure" means disclosure by the member or manager who has a conflicting interest of (A) the existence and nature of his or her conflicting interest, and (B) all facts known to him or her respecting the subject matter of the transaction that an ordinarily

prudent person would reasonably believe to be material to a judgment as to whether or not to proceed with the transaction.

(23) "State" means the District of Columbia or the Commonwealth of Puerto Rico or any state, territory, possession, or other jurisdiction of the United States.

(24) "Time of commitment" respecting a member's or manager's conflicting interest transaction means the time when the transaction is consummated or, if made pursuant to contract, the time when the limited liability company (or the person in which it has a controlling interest) becomes contractually obligated so that its unilateral withdrawal from the transaction would entail significant loss, liability, or other damage.

HISTORY: Code 1981, § 14-11-101, enacted by Ga. L. 1993, p. 123, § 1; Ga. L. 1997, p. 1380, § 3; Ga. L. 1999, p. 405, § 30; Ga. L. 2002, p. 1235, § 1; Ga. L. 2009, p. 108, § 1/HB 308.