

# IS YOUR LIMITED LIABILITY COMPANY READY TO CLOSE UP SHOP?

Regardless of the reason for terminating an LLC, there's more to it than just putting up a "Closed" sign.

Without proper termination, your LLC could be liable for:



Taxes & Annual Reports



Lawsuits



Identity Fraud Issues

## STEP 1

### Dissolution

- > Dissolution can be the result of a triggering event, which could be –
  - An event set forth in the Operating Agreement (e.g., sale of a piece of property) OR
  - Member vote, as defined in the Operating Agreement or Statutes
- > An entity must file Articles of Dissolution – after which regular business stops and “winding up” begins



## STEP 2

### Winding Up

Typical tasks include

- > Notifying creditors and making payment arrangements
- > Closing out bank accounts
- > Paying taxes and filing final tax returns and reports
- > Cancelling licenses, permits, and assumed names and withdrawing from foreign states
- > Distributing remaining assets to Members



## STEP 3

### Termination

The LLC's existence ceases when winding up is completed.

- > Some states require the filing of a document acknowledging completion of the winding up tasks

CT's experts can help with many of these steps. Go to [ct.wolterskluwer.com](http://ct.wolterskluwer.com) to learn more.