

THE SERIES LLC (SLLC)

Is it the right entity type for your business?

Currently available in 17 states, the series LLC can help businesses reduce overall formation costs and can insulate each series in the company from risks incurred by the others. This infographic details the benefits and the risks of this entity type.



What Is a Series LLC?

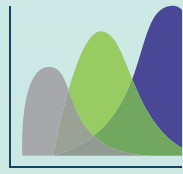
The series LLC is an umbrella that shelters any number of independently operating series under a master LLC. If all legal requirements are met, each series is protected from the debts and liabilities of the others.

Each series under the umbrella can act independently and may have different:

Owners



Profit and loss allocations



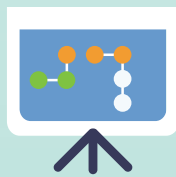
Businesses



Tax elections



Management structures



Benefits



Reduces overall formation and maintenance costs

Each series within the SLLC is protected from risks incurred by the other series of the SLLC



Independent series have separate ownership, membership and business structures

Requirements for Umbrella Liability Protection

- > State formation document must identify the entity as a series LLC
- > Operating Agreement must state that the entity is a series LLC
- > Books and records of each series must account for assets and liabilities that are separate from any other series and the master series
- > Some states require each series to be registered



Risks

- > Tax treatment by IRS and state governments is unclear
- > Federal bankruptcy code does not provide recognition
- > Questions on treatment in states that don't recognize Series LLCs



Best Match For

- > Mutual funds
- > Property management and real estate
- > Businesses with different product lines



While series LLCs offer a variety of interesting benefits and protections, this fairly new business structure is not widely understood and does carry risk. Let us be your legal compliance partner. Contact us at **855.316.8948** or visit **ctcorporation.com**.