

322B.77 TRANSFER OF ASSETS AND WHEN PERMITTED.

Subdivision 1. **Member approval and when not required.** A limited liability company may, by affirmative vote of a majority of the governors present, upon those terms and conditions and for those considerations, which may be money, securities, or other instruments for the payment of money or other property, as the board of governors considers expedient, and without member approval:

(1) sell, lease, transfer, or otherwise dispose of all or substantially all of its property and assets in the usual and regular course of its business;

(2) grant a security interest in all or substantially all of its property and assets whether or not in the usual and regular course of its business; or

(3) transfer any or all of its property to an organization all the ownership interests of which are owned directly or indirectly through wholly-owned organizations, by the limited liability company.

Subd. 2. **Member approval and when required.** (a) A limited liability company, by affirmative vote of a majority of the governors present, may sell, lease, transfer, or otherwise dispose of all or substantially all of its property and assets, including its good will, not in the usual and regular course of its business, upon those terms and conditions and for those considerations, which may be money, securities, or other instruments for the payment of money or other property, as the board of governors considers expedient, when approved at a regular or special meeting of the members by the affirmative vote of the owners of a majority of the voting power of the interests entitled to vote. Written notice of the meeting must be given to all members whether or not they are entitled to vote at the meeting. The written notice must state that a purpose of the meeting is to consider the sale, lease, transfer, or other disposition of all or substantially all of the property and assets of the limited liability company.

(b) Member approval is not required under paragraph (a) if, following the sale, lease, transfer, or other disposition of its property and assets, the limited liability company retains a significant continuing business activity. If a limited liability company retains a business activity that represented at least (i) 25 percent of the limited liability company's total assets at the end of the most recently completed fiscal year and (ii) 25 percent of either income from continuing operations before taxes or revenues from continuing operations for that fiscal year, measured on a consolidated basis with its subsidiaries for each of clauses (i) and (ii), then the limited liability company will conclusively be deemed to have retained a significant continuing business activity.

Subd. 3. **Signing of documents.** Confirmatory deeds, assignments, or similar instruments to evidence a sale, lease, transfer, or other disposition may be signed and delivered at any time in the name of the transferor by its current managers or authorized agents or, if the limited liability company no longer exists, by its last managers.

Subd. 4. **Transferee liability.** The transferee is liable for the debts, obligations, and liabilities of the transferor only to the extent provided in the contract or agreement between the transferee and the transferor or to the extent provided by this chapter or other statutes of this state. A disposition of all or substantially all of a limited liability company's properties and assets under this section is not considered to be a merger or a de facto merger pursuant to this chapter or otherwise. The transferee is not liable solely because it is deemed to be a continuation of the transferor.

History: 1992 c 517 art 2 s 103; 1993 c 137 s 44,45; 1996 c 361 s 45; 2004 c 199 art 14 s 49; 2006 c 250 art 2 s 30,31; 2010 c 250 art 1 s 45