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Article

**Business Organization****\*420 WHAT EVERY LAWYER NEEDS TO KNOW ABOUT THE ILLINOIS LIMITED LIABILITY COMPANY ACT**Charles W. Murdock [\[FN1\]](#)

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An analysis of the Illinois Limited Liability Company Act, focusing on provisions with which all Illinois attorneys need to be familiar.

As originally enacted in 1993, the Illinois Limited Liability Company Act ("ILLCA") was designed to enable a limited liability company ("LLC") not to have more corporate than partnership characteristics so that it could be taxed as a partnership under the IRS regulations in force at that time. However, on December 17, 1996, the Internal Revenue Service issued its "check-the-box" regulations which, in effect, provided that the default status for a non-corporate entity was partnership taxation. [\[FN1\]](#)

Accordingly, ILLCA was substantially modified by Public Act 40-424, effective January 1, 1998. The Act, as currently amended, no longer is focused on enabling an LLC to look like a partnership. An LLC now can have a perpetual existence [\[FN2\]](#) and death, disability, or resignation no longer cause the dissolution of the LLC but rather trigger a new concept known as "dissociation." [\[FN3\]](#)

In addition, the new amendments modified the Act by providing that matters such as management and distributions are "per capita," rather than "per capital" - that is, each member has equal rights in management and distributions unless the operating agreement specifies otherwise, rather than having such matters depend upon the relative capital contribution of the members. [\[FN4\]](#)

The new amendments also feature a fuller treatment of fiduciary duties. [\[FN5\]](#) While fiduciary duties cannot be eliminated, the operating agreement can designate specific activities that would not violate fiduciary duties. [\[FN6\]](#) It is important to note that the fiduciary duties enumerated in the statute are not exclusive. [\[FN7\]](#)

Both the original Act and the Act as amended contemplated that, except for certain limited matters specified in the statute, [\[FN8\]](#) the provisions set forth in ILLCA apply only if the operating agreement does not otherwise provide. Thus the statute is a "contractarian" approach: the operating agreement trumps the statute except in seven limited instances.

Also note that an LLC can be either a "manager-managed" or a "member-managed" company. [\[FN9\]](#) The articles of organization must designate which is the case. [\[FN10\]](#) This is important, because the designation of an entity as either member-managed or manager-managed determines the authority of the members and managers [\[FN11\]](#) and also affects who has what fiduciary duties. [\[FN12\]](#)

While no statutory provision is unimportant, the most significant provisions for many lawyers are those found in the articles dealing with members, agency, management, finance and distributions, transferability, and dissolution and dissociation.

Accordingly, these articles are the focus of this article. For a discussion of other Articles in the LLC Act, see an expanded version of this article \*421 posted on the ISBA Web site at <[http:// www.isba.org/member/aug04lj/murdock.pdf](http://www.isba.org/member/aug04lj/murdock.pdf)>.

### I. Article 10 - LLC Members

This article deals with three important matters: how to become a member, the liability of a member and manager, and a member's right to information.

**Becoming a member.** It is possible to obtain a membership interest directly from the LLC or by being a transferee of a membership interest - so long as the members unanimously vote to admit the transferee. [\[FN13\]](#) The latter provision is a throwback to the effort to frame an LLC as much like a partnership as possible. In a partnership, each partner has the agency authority to expose the other partners to personal liability. Accordingly, all partners must agree to admit a new partner.

**Liability.** However, in an LLC, as discussed below, members are generally not personally liable for the obligations of the LLC. Nonetheless, in a member-managed organization, any member can bind the LLC, [\[FN14\]](#) and thus it may still be a matter of concern to the members whether a transferee of a membership interest becomes a member and accordingly has such power. While the Act speaks of unanimous consent of the members being required to make a transferee a member, the operating agreement may provide otherwise. [\[FN15\]](#)

ILLCA explicitly provides that the liabilities of an LLC are those solely of the LLC and that a member or manager is not personally liable solely by acting in that capacity. [\[FN16\]](#) Moreover, with respect to "piercing the entity veil" liability, the Act specifically provides that failing to observe formalities is not a ground for imposing personal liability. [\[FN17\]](#)

Thus, from a statutory standpoint, the "ritual" test for imposing personal liability on the owners of an entity is "out." If, however, the LLC is under capitalized, or if there is commingling of funds or other basis for piercing the entity veil, members may still be personally liable. [\[FN18\]](#) Thus, care should be taken to insure that the LLC is a functional entity apart from its members. Notwithstanding the foregoing, all or specified members may be subject to personal liability if the articles of incorporation so provide and the member has consented in writing. [\[FN19\]](#)

**Right of inspection.** The Act explicitly provides members with a right to inspect the records of the LLC and provides for a member to obtain, at the company's expense, a copy of any written operating agreement. [\[FN20\]](#) Former members are provided a right of inspection for proper purposes for records pertaining to the period during which they were members. However, there is no explicit right of inspection or access to records for transferees of a membership interest. This is a serious issue for an assignee and should be dealt with prior to assignment.

### II. Article 13 - Relations of Members and Managers to Persons Dealing with the LLC

The title to this article is almost longer than its basic concept: that a member in a member-managed LLC, and a manager in a manager-managed LLC, has not only actual but apparent authority to carry on, in the ordinary course, either the company's business or business of the kind carried on by the company. [\[FN21\]](#) In a manager-managed company, a member is not an agent solely by reason of being a member. [\[FN22\]](#) Apparent authority does not exist if the third party knew or has notice that the member or manager, as the case may be, lacked authority.

With respect to real estate, any member of a member-managed LLC or manager of a manager-managed LLC can execute and deliver an instrument affecting the LLC's interest in the real estate so long as the person giving value in connection with the transaction is without knowledge of any lack of authority of the person executing the instrument. [\[FN23\]](#)

### III. Article 15. Management

Article 15 is a core provision of ILLCA. In particular, it deals with management of the LLC, fiduciary duties of members and managers, and the scope and effect of an operating agreement. It also provides for indemnification of a member or manager for liabilities incurred by such person in the ordinary course of business or to preserve the property of the LLC and for reimbursement of advances. [\[FN24\]](#) These matters are treated as a loan to the LLC upon which interest accrues. However, a member is not entitled to remuneration for services provided other than in connection with winding up the company. [\[FN25\]](#) This, again is a default provision and the members or managers, as the case may be, can agree to pay compensation to members or managers.

With respect to management, each member, in a member-managed company, and each manager, in a manager-managed company, has equal rights in management. [\[FN26\]](#) Except with regard to certain matters requiring unanimity, [\[FN27\]](#) decisions are made by majority vote. [\[FN28\]](#) A manager can be elected or removed by a majority of the members and holds office until a successor has been designated, unless the manager sooner resigns or is removed. [\[FN29\]](#) The matters requiring \*422 unanimity include the amendment of the operating agreement or articles of organization, the compromise of an obligation to make a contribution or return funds improperly distributed, the making of interim distributions, the admission of a new member, the use of LLC property to redeem an interest subject to a charging order, the waiver of the right to have the LLC's business wound up and terminated, and the dissolution, merger of the LLC or the sale of substantially all its assets. [\[FN30\]](#) While ILLCA requires unanimity for the foregoing, the operating agreement could specify a lesser vote. [\[FN31\]](#) In taking action, members or managers may act by consent or may appoint a proxy to vote for them. [\[FN32\]](#)

Two areas that require unanimous consent that could be troublesome are those dealing with the making of interim distributions and the admission of a new member. [\[FN33\]](#) With respect to interim distributions, since a LLC is a passthrough entity, the income of the LLC will subject the members to income tax consequences. If there is no provision for making sufficient distributions to cover the income tax liability of the members, a negative liquidity situation for the members will be created. While this would affect all members, a member with "deep pockets" can ride out the liquidity issue and create pressure on other members. [\[FN34\]](#)

With respect to the admission of a new member, the unanimity requirement could preclude one member from transferring part of his interest to a family member for estate planning purposes or could prevent a son or daughter from following the member into the business on the member's death or retirement. These are issues that should be dealt with in the operating agreement, which can override the Act in these areas.

Under the ILLCA, fiduciary duties are substantially broader than under the Uniform Act. [\[FN35\]](#) In general, the list of fiduciary duties set forth in the Illinois Act is non-exclusive [\[FN36\]](#) and the duty of good faith and fair dealing is a fiduciary standard rather than a commercial standard. [\[FN37\]](#) In a manager-managed company, a member who is not also a manager owes no fiduciary duties solely by being a member and a manager is held to the same standards of conduct as prescribed for members in a member-managed LLC. [\[FN38\]](#) However, to the extent that a member retains managerial authority, a manager is relieved of liability in those instances.

The contractarian nature of the ILLCA is set forth in section 15-5 which provides that, except with respect to certain matters set forth in paragraph (b), the operating agreement governs relations among members, managers and the company. [\[FN39\]](#) In 2001, the Act was amended to explicitly provide that "an operating agreement may modify any provision or provisions of this Act governing relations among the members, managers and company," [\[FN40\]](#) except once again as provided in paragraph (b).

The seven matters that an operating agreement may not contravene are (i) the informational rights under section 10-15; (ii) the right to expel a member under section 35-45(6); (iii) the requirement to wind up an LLC under section 35-1(3) & (4); (iv) the rights of a third party; (v) the right to dissociate under section 35-50, although the operating agreement may determine whether dissociation is wrongful and may eliminate or vary the obligation to repurchase a dissociated members distributional interest; (vi) the prohibition against eliminating or reducing fiduciary duties; and (vii) the prohibition against eliminating or reducing the obligation of good faith and fair dealing. [\[FN41\]](#)

However, the operating agreement can identify activities that do not violate fiduciary duties, if not manifestly unreasonable, and may specify the percentage of members or disinterested managers that may ratify a transaction that would otherwise violate fiduciary duties. [\[FN42\]](#) The operating agreement may also determine the standards by which the performance of good faith is measured, again if not manifestly unreasonable. [\[FN43\]](#)

In a one member LLC, the operating agreement includes (i) any writing signed by the member, irrespective of whether it constitutes an agreement; (ii) any written agreement between the member and the company; and (iii) any agreement, which need not be in writing, between the member and the company--provided that the company is a manager-managed LLC and managed by a manager who is not the member. [\[FN44\]](#) It is hard to envision the significance of an operating agreement in a single member member-managed LLC since the default provisions of the Act would essentially create a sole-proprietorship. The member would be the only person with agency powers and all actions would be taken by unanimity.

One area that could be critical, however, is continuity on death since a person receiving the member's interest pursuant to intestacy would not necessarily become a member. Thus, this issue should be addressed in an operating agreement. However, ILLCA was amended in 2003 to provide, inter alia, that within 6 months of the death of the last member, the personal representative of such member can continue the LLC and become a member or designate someone else as a member. [\[FN45\]](#)

#### **IV. Article 20. Finance**

The 1998 amendments substantially modified the original provisions in ILLCA with respect to contributions, \*423 distributions and profits. The original act provided that the default rule for allocation of profits and the making of distributions was that such would be done on a "per capital" basis. The 1998 amendments eliminated all reference to the sharing of profits and losses and moved the provision with respect to distributions into Article 25, replacing the "per capital" approach with a "per capita" approach. [\[FN46\]](#) Thus, the default rule for distributions is that distributions are made equally to all members, irrespective of the member's capital contribution.

The contribution of a member can be in cash, property, services rendered or to be rendered, or a promissory note or other obligation to contribute cash or property. [\[FN47\]](#) Such obligation is not excused by death, disability or other inability to perform personally. If a member does not make the required contribution of property or services, the member is obliged to provide money equal to the value of the property or services the member should have provided. A creditor who extends credit in reliance on such obligation can enforce such obligation of the member. [\[FN48\]](#)

#### **V. Article 25. Distributions**

The provisions in the original Article 25 dealing with member resignation, and distributions in connection therewith, have been moved into Article 35 which now covers both dissolution and the new concept "dissociation."

As stated above, ILLCA now provides that distributions by a limited liability company must be made in equal shares and that a member has no right to receive any distribution in kind. [\[FN49\]](#) However this provision can be modified by the operating agreement. When a member becomes entitled to a distribution, the member has the status of a creditor with respect to the distribution. [\[FN50\]](#)

Article 25 also deals with limitations on distributions [\[FN51\]](#) and with claims against a dissolved LLC. [\[FN52\]](#) These provisions are similar to those found in the Business Corporation Act. [\[FN53\]](#)

Distributions may not be made if the net assets of the LLC are less than zero or less than the preferential rights of members having preferential rights, or if the effect would be to create an equitable insolvency, namely, that the LLC could not pay its debts in the ordinary course as they became due. [\[FN54\]](#) The statute also sets forth the basis for making such determinations and the time when such a determination is made, and seeks to place debt to members arising from a distribution on the same parity as that of general creditors.

ILLCA provides that a member or manager is personally liable to the extent such person authorizes a distribution which exceeds the amount permitted under the statute, the articles of organization or the operating agreement [\[FN55\]](#) -- if it is established that the member or manager did not meet the standards of conduct set forth in section 15-3. [\[FN56\]](#) Such liability is only for the excess over the amount that could have been lawfully distributed. [\[FN57\]](#) A member or manager is entitled to contribution from others who would also be so liable. [\[FN58\]](#)

ILLCA in effect sets up a probate type procedure for a dissolved LLC to follow with respect to known liabilities. [\[FN59\]](#) If these procedures are not followed, or with respect to contingent liabilities, the statute then sets up a publication by notice procedure under which claimants will be barred unless they bring an action within 5 years of publication. [\[FN60\]](#) Such claim can be brought against any remaining assets of the LLC or against a member to the extent of the member's proportionate share of the assets distributed in liquidation.

#### **VI. Article 30. Assignment of Membership Interests**

ILLCA draws a distinction between a distributional interest and a membership interest. A distributional interest is an interest only in distributions, i.e., an economic interest. [\[FN61\]](#) The membership interest includes the distributional interest but also includes the right to participate in management and to obtain access to information. [\[FN62\]](#) While a member under ILLCA has an unlimited right to transfer a distributional interest, which is personal property, such a transfer does not necessarily entitle the transferee to become or exercise the rights of a member. A transferee can become a member only if the transferor gives the transferee such rights in accordance with the operating agreement or if all other members consent. [\[FN63\]](#)

A transferee who becomes a member is subject to the operating agreement and is also liable for the transferor's obligations to make contributions or return unlawful distributions--to the extent the transferee is aware of such. The transferor remains liable as well. [\[FN64\]](#)

The status of a transferee is highly undesirable since a transferee is not entitled to participate in management or to obtain access to information about the company or inspect the company's records. [\[FN65\]](#) This is in marked contrast to the status of a shareholder and is something that should be considered in connection with drafting the operating agreement, particularly with respect to possible transfers at death or to family members in connection with estate planning.

A creditor may get a charging order against the distributional interest of a member and a foreclosure sale may ensue. [\[FN66\]](#) A purchaser at such sale would have the rights of a transferee. Any time before foreclosure, the distributional interest could be redeemed by the judgment \*424 debtor, by one of the other members, or with the LLC's property if permitted by the operating agreement.

#### **VII. Article 35. Dissolution and Dissociation**

Article 35 has been substantially modified and expanded by the 1998 amendments. The circumstances leading to dissolution have been reduced and the former "events of dissolution," namely death, retirement, resignation, bankruptcy or incompetency

now lead to a new concept, namely, dissociation. [FN67] Other than judicial or administrative dissolution, only three events lead to dissolution; (i) an event specified in the operating agreement (ii) consent of the number of members specified in the operating agreement, or (iii) an event that makes it unlawful to continue the business of the company. [FN68]

ILLCA explicitly sets forth the circumstances under which a member, a dissociated member or a transferee of a member's interest may seek a judicial decree dissolving the company. [FN69] Two circumstances are particularly significant: (i) that the company has failed to purchase a dissociated members distributional interest or (ii) that those in control of the company have acted in an illegal, oppressive or fraudulent manner with respect to the petitioner. Thus, the law of oppressive conduct has been imported from corporate law. [FN70]

After dissolution, the limited liability continues only for purposes of winding up the business. [FN71] Any member who has not wrongfully dissociated may participate in the winding up. [FN72] In addition, any member or transferee may apply to court for judicial supervision of the winding up. Before the winding up is completed, all the members, including a dissociated member whose dissociation caused the dissolution, may unanimously waive the right to wind up and may continue the business. [FN73] Those winding up the business may preserve the company's business for a limited time to preserve the going concern value. [FN74]

After dissolution, the authority of a member or manager is limited to winding up the company's business but the company may be bound by an act that would have bound the company before dissolution if the third party did not have notice of the dissolution. In such a case, the member or manager responsible for the transaction is liable for any damage to the LLC. [FN75]

When the debts of the LLC are provided for and the balance of assets distributed to the members, articles of dissolution should be executed and filed with the Secretary of State. [FN76]

The Secretary of State may administratively dissolve any LLC if it has failed to file its annual report and pay the appropriate fees within 180 days of the anniversary day or has failed to file any other report within 180 days of the appropriate filing date or has failed to appoint and maintain a registered agent in Illinois within 60 days after the resignation of the registered agent. [FN77] Within five years after the administrative dissolution, an LLC can apply to be reinstated and, if the Secretary of State approves the application, the existence of the LLC shall be deemed to have continued without interruption and the acts of its members and managers in the interim stand ratified and confirmed. [FN78]

As stated above, [FN79] the former events of dissolution have, in effect, been converted into events of dissociation. [FN80] Any member in a member-managed LLC has the right to dissociate, [FN81] even if it is in breach of the operating agreement, in which case dissociation may subject such member to liability to the LLC. [FN82] A member in a manager-managed LLC can dissociate only as set forth in the operating agreement. [FN83] Upon dissociation, the LLC must purchase the distributional interest of the member, [FN84] unless such obligation has been modified by the operating agreement. [FN85] After dissociation, the member's right to participate in management terminates, as do the fiduciary duties of a member who does not participate in winding up the company business. However, with regard to matters arising prior to dissociation, a member can still be liable with respect to such matters. [FN86]

The LLC is obliged to purchase the dissociated member's interest at fair value [FN87] unless the operating agreement sets forth some other price. [FN88] If the parties cannot agree on fair value, they can apply to court to have the court determine the fair value [FN89]--in which case the court should consider the going concern value of the company and any agreement amongst some or all of the members fixing the price or specifying a formula, as well as the recommendations of any appraiser appointed by the court. [FN90]

The court can set forth the terms of the purchase - including installment payments, subordination of the purchase agreement to other creditors, and a covenant not to compete. [\[FN91\]](#) If any party to the proceeding acts arbitrarily, vexatiously, or not in good faith, the court may award another party reasonable expenses including attorney's fees. [\[FN92\]](#)

For two years after dissociation, a dissociated member may have the power to bind the company to a third party who reasonably believes that the dissociated member was still a member and did not have notice of the member's dissociation. [\[FN93\]](#)

### VIII. Conclusion

ILLCA, as amended through 2003, is one of the most thoughtful and workable LLC acts in the country. LLC statutes have already gone through three generations of statutory approaches, [\[FN94\]](#) with Illinois now fine tuning its version of the third generation. Since LLCs have only been a significant form of business organization in the past ten years, mastering the statutory basis for this type of entity is a daunting task. Hopefully, this article will provide a perspective for further understanding.

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[\[FN1\]](#). See [61 Fed Reg 666](#), corrected [62 Fed Reg 111 \(3/13/97\)](#). See Helen W. Gunnarsson, [LLC info now on the Web](#), [92 Ill Bar J 291 \(June 2004\)](#).

[\[FN2\]](#). [805 ILCS 180/5-5\(a\)\(6\)](#).

[\[FN3\]](#). [805 ILCS 180/35-45](#).

[\[FN4\]](#). [805 ILCS 180/15-1\(a\)\(1\)](#), 25-1(a).

[\[FN5\]](#). [805 ILCS 180/15-3](#).

[\[FN6\]](#). [805 ILCS 180/15-5\(b\)\(6\)](#).

[\[FN7\]](#). [805 ILCS 180/15-3\(a\)](#). See Charles W. Murdock, [Limited Liability Companies in the Decade of the 1990s: Legislative and Case Law Developments and Their Implications for the Future](#), [56 Bus Law 499, 520-538 \(2001\)](#) ("Murdock").

[\[FN8\]](#). [805 ILCS 180/15-5\(b\)](#).

[\[FN9\]](#). [805 ILCS 180/1-5](#).

[\[FN10\]](#). [805 ILCS 180/5-5\(a\)\(4\), \(5\)](#).

[\[FN11\]](#). [805 ILCS 180/13-5](#), 15-1(a),(b).

[\[FN12\]](#). [805 ILCS 180/15-3\(a\), \(g\)](#).

[\[FN13\]](#). [805 ILCS 180/10-1](#).

[FN14]. [805 ILCS 180/13-5\(a\)](#).

[FN15]. The admission of a member is not one of the limited situations where the operating agreement may not trump the default provisions of ILLCA. See [805 ILCS 180/15-5\(b\)](#).

[FN16]. [805 ILCS 180/10-10\(a\)](#).

[FN17]. [805 ILCS 180/10-10\(c\)](#).

[FN18]. See Murdock at 504-511 (cited in note 7); see also 7 Ill Prac, Business Organizations §§ 8.9-8.18 (West 1996, supp 2003).

[FN19]. [805 ILCS 180/10-10\(d\)](#). This would be a very unusual situation.

[FN20]. [805 ILCS 180/10-15](#).

[FN21]. [805 ILCS 180/13-5](#).

[FN22]. [805 ILCS 180/13-5\(b\)\(1\)](#).

[FN23]. [805 ILCS 180/13-5\(c\)](#).

[FN24]. [805 ILCS 180/15-7\(a\)-\(c\)](#).

[FN25]. [805 ILCS 180/15-7\(d\)](#).

[FN26]. [805 ILCS 180/15-1\(a\)\(1\), \(b\)\(1\)](#).

[FN27]. [805 ILCS 180/15-1\(c\)](#).

[FN28]. [805 ILCS 180/15-1\(a\)\(2\), \(b\)\(2\)](#).

[FN29]. [805 ILCS 180/15-1\(b\)\(3\)](#); (The Delaware LLC Act does not contain a similar provision which led to very wasteful litigation in [Childcare of Irvine LLC v Facchina, 1998 WL 409363 \(Del Ch\)](#)).

[FN30]. [805 ILCS 180/15-1\(c\)](#).

[FN31]. [805 ILCS 180/15-5\(a\)](#).

[FN32]. [805 ILCS 180/15-1\(d\),\(e\)](#).

[FN33]. See [805 ILCS 180/15-1\(c\)\(5\), \(6\)](#).

[FN34]. See [Labovitz v Dolan, 189 Ill App 3d 403, 545 NE2d 304 \(1st D 1989\)](#).

[FN35]. See Murdock at 520-538 (cited in note 7).

[FN36]. [805 ILCS 180/15-3\(a\)](#).



[FN37]. Since the enumeration in §15-3(a) is non-exclusive, the duty of good faith in [805 ILCS 180/15-3\(d\)](#) is a fiduciary standard in accordance with case law developments relating to relations among members in business organizations. See [Donahue v Rodd Electrotype, 367 Mass 578, 328 NE2d 505 \(Mass 1975\)](#) and the dozens of cases following it.

[FN38]. [805 ILCS 180/15-3\(g\)](#).

[FN39]. [805 ILCS 180/15-5](#).

[FN40]. [805 ILCS 180/15-5\(a\)](#) (last sentence).

[FN41]. [805 ILCS 180/15-5\(b\)](#).

[FN42]. [805 ILCS 180/15-5\(b\)\(6\)](#).

[FN43]. [805 ILCS 180/15-5\(b\)\(7\)](#).

[FN44]. [805 ILCS 180/15-5\(c\)](#).

[FN45]. [805 ILCS 180/35-3\(c\)](#).

[FN46]. [805 ILCS 180/25-1](#).

[FN47]. [805 ILCS 180/20-1](#).

[FN48]. [805 ILCS 180/20-5](#).

[FN49]. [805 ILCS 180/25-1](#).

[FN50]. [805 ILCS 180/25-20](#).

[FN51]. [805 ILCS 180/25-30](#).

[FN52]. [805 ILCS 180/25-45](#), 50.

[FN53]. See [805 ILCS 5/9.10](#), 8.65, 12.75 and 12.80.

[FN54]. [805 ILCS 180/25-30](#).

[FN55]. [805 ILCS 180/25-35](#).

[FN56]. See [805 ILCS 180/25-35\(a\)](#).

[FN57]. [805 ILCS 180/25-35\(b\)](#).

[FN58]. [805 ILCS 180/25-35\(c\)](#).

[FN59]. [805 ILCS 180/25-45](#).

[FN60]. [805 ILCS 180/25-50](#).

[FN61]. [805 ILCS 180/1-5](#) (definition).

[FN62]. [805 ILCS 180/30-10\(b\)](#); cf 805 ILCS 30-10(d).

[FN63]. [805 ILCS 180/30-10\(a\)](#).

[FN64]. [805 ILCS 180/30-10\(b\)](#), (c).

[FN65]. [805 ILCS 180/30-10\(d\)](#).

[FN66]. [805 ILCS 180/30-20](#).

[FN67]. See [805 ILCS 180/35-45](#).

[FN68]. [805 ILCS 180/35-1\(1\)-\(3\)](#).

[FN69]. [805 ILCS 180/35-1\(4\)](#).

[FN70]. [805 ILCS 5/12.56](#).

[FN71]. [805 ILCS 180/35-3](#).

[FN72]. [805 ILCS 180/35-4](#).

[FN73]. [805 ILCS 180/35-3\(b\)](#).

[FN74]. [805 ILCS 180/35-4\(c\)](#).

[FN75]. [805 ILCS 180/35-7](#).

[FN76]. [805 ILCS 180/35-15](#).

[FN77]. [805 ILCS 180/35-25](#).

[FN78]. [805 ILCS 180/35-40](#).

[FN79]. See Murdock at 501-502 (cited in note 7).

[FN80]. [805 ILCS 180/35-45](#).

[FN81]. [805 ILCS 180/35-45\(1\)](#).

[FN82]. [805 ILCS 180/35-50](#).

[FN83]. [805 ILCS 180/35-50\(a\)](#). This provision was added in 2001 to facilitate estate planning.

[FN84]. [805 ILCS 180/35-60](#).

[FN85]. [805 ILCS 180/15-5\(b\)\(5\)](#).

[\[FN86\]. 805 ILCS 180/35-55.](#)

[\[FN87\].](#) For a discussion of "fair value", See Charles W. Murdock, [Squeeze-Outs, Freeze-Outs and Discounts: Why Is Illinois in the Minority Protecting Minority Interests](#), 35 Loy U Chi L J 737 2004 (forthcoming).

[\[FN88\]. 805 ILCS 180/35-60\(c\).](#)

[\[FN89\]. 805 ILCS 180/35-60\(d\).](#)

[\[FN90\]. 805 ILCS 180/35-65\(a\)\(1\).](#)

[\[FN91\]. 805 ILCS 180/35-65\(a\)\(2\).](#)

[\[FN92\]. 805 ILCS 180/35-65\(d\).](#)

[\[FN93\]. 805 ILCS 180/35-70.](#)

[\[FN94\].](#) See Murdock at 501-502 (cited in note 7).

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