

1.1 moves to amend H.F. No. 977 as follows:

1.2 Page 3, after line 34, insert:

1.3 "Subd. 18. **Oppressive.** (a) "Oppressive," with respect to an application brought by
1.4 a member under section 322C.0701, subdivision 1, clause (5), item (ii), means conduct:

1.5 (1) engaged in by one or more:

1.6 (i) members in a member-managed limited liability company or who are otherwise
1.7 in control of any limited liability company;

1.8 (ii) managers in a manager-managed limited liability company; or

1.9 (iii) governors of a board-managed limited liability company;

1.10 (2) that occurs with respect to the applicant member's capacity as:

1.11 (i) a member, manager, or governor of a limited liability company; or

1.12 (ii) an employee of a limited liability company with 35 or fewer members; and

1.13 (3) that is unfairly prejudicial to the applicant member in a capacity listed in clause
1.14 (2), because the conduct frustrated an expectation of the applicant member that:

1.15 (i) is reasonable in light of the reasonable expectations of the other members;

1.16 (ii) was material to the applicant's decision to become a member of the limited
1.17 liability company or for a substantial time has been material during the member's
1.18 continuing membership;

1.19 (iii) was known to other members or that the other members had reason to know; and

1.20 (iv) is not contrary to the operating agreement as applied consistently with the
1.21 contractual obligation of good faith and fair dealing under section 322C.0409, subdivision

1.22 4.

1.23 (b) For the purposes of paragraph (a), conduct:

1.24 (1) includes words, action, inaction, and any combination of words, action, or
1.25 inaction; and

1.26 (2) is not oppressive solely by reason of a good faith disagreement as to the content,
1.27 interpretation, or application of the company's operating agreement."

- 2.1 Renumber the subdivisions in sequence
- 2.2 Page 37, line 12, delete everything before the second "limited" and insert "a"
- 2.3 Page 37, line 13, before "duties" insert "member's" and before the first "under"
- 2.4 insert "and exercise any rights"
- 2.5 Page 37, line 14, delete everything before "consistently"
- 2.6 Page 37, line 15, before the period, insert ", including acting in a manner, in light of
- 2.7 the operating agreement, that is honest, fair, and reasonable"
- 2.8 Page 45, line 23, before the period, insert ", which may include the sale for fair value
- 2.9 of all membership interests a member owns in a limited liability company to the limited
- 2.10 liability company or one or more of the other members. A remedy other than dissolution
- 2.11 may be ordered in any case where that remedy would be appropriate under all the facts
- 2.12 and circumstances of the case"
- 2.13 Page 45, after line 23, insert:
- 2.14 "Subd. 3. **Venue.** A proceeding brought under subdivision 1, clause (5), must
- 2.15 be brought in a court within the county in which the registered office of the limited
- 2.16 liability company is located. It is not necessary to make members parties to the action or
- 2.17 proceeding unless relief is sought against them personally."
- 2.18 Page 73, lines 7 and 14, delete "2017" and insert "2018"
- 2.19 Page 73, lines 9, 11, 16, and 22, delete "2014" and insert "2015"
- 2.20 Page 74, line 24, delete "2017" and insert "2018"
- 2.21 Page 74, line 26, delete "2014" and insert "2015"
- 2.22 Page 93, line 12, delete "2017" and insert "2018"
- 2.23 Page 93, line 16, delete "2014" and insert "2015"
- 2.24 Renumber the sections in sequence and correct the internal references
- 2.25 Amend the title accordingly