

Start Ups and Emerging Companies – 101: Members and Membership Interests

An LLC is owned by its members. An LLC may have one or more members, and may be managed by a sole manager or group of managers. Membership interests may be purchased by a person or another company. If a company is the sole or majority member in another LLC or Corporation, the company is considered to be the "parent" company of the LLC or Corporation.

A person becomes a member when he or she (or it) becomes a party to an [Operating Agreement](#). Membership interests must be issued for consideration. The consideration may take the form of cash, property or past services. Cash or property exchanged as consideration for the interests may be used to capitalize the company. Membership interests may not be issued in exchange for future services.

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