

2014 Amendments to Laws Applicable to Delaware Limited Liability Companies, Limited Partnerships and General Partnerships

On August 1, 2014, certain amendments to the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101, et seq. (the “LLC Act”), the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. §§ 17-101, et seq. (the “LP Act”), and the Delaware Revised Uniform Partnership Act, 6 Del. C. §§ 15-101, et seq. (the “GP Act”) became effective. Though not a dramatic shift in existing law, these changes clarify regulatory language and bring existing statutes current with common practice.

In brief, the amendments are as follows:

1. **Consents Effective at a Future Time.** If any party consents to any matter as a partner, limited partner, member or manager but provides that such consent will not become effective until a future time or upon the occurrence of a future event, then the consent will become effective at the future time so long as the party actually holds the applicable title at the future time. The consent will become effective at the future time even if the consenting party did not hold the necessary title at the time the consent was provided. This default provision may be varied by the partnership agreement or limited liability company agreement, as applicable. These changes provide more certainty as to the legitimacy of consents obtained prior to closing a transaction, and codify what is already standard practice for many practitioners. (Section 18-302(d) of the LLC Act; Sections 17-302(e) and 17-405(d) of the LP Act; Section 15-407(d) of the GP Act)
2. **Dissolution Revocation.** If a dissolution occurs by means of a member, manager or partner vote, the dissolution may be revoked by the same vote or consent threshold that authorized the dissolution. If a dissolution is triggered by a provision in a limited liability company agreement or limited partnership agreement, the dissolution may be revoked by a vote or consent threshold that would be sufficient to provide for an amendment to the provision triggering the dissolution. These changes provide additional flexibility to partners and members by simplifying and providing additional means by which the dissolution of a company may be revoked. (Section 18-806 of the LLC Act; Section 17-806 of the LP Act)
3. **Communications Contact Information.** Every limited

partnership and limited liability company must maintain a "communications contact" who is authorized to receive communications from the entity's registered agent. The amendments provide that upon written request of the communications contact, the entity must provide the contact information of a natural person who has access to the names and address of each partner, member or manager, as applicable. (Section 18-104(g) of the LLC Act; Section 17-104(g) of the LP Act)

4. Books and Records Requests. Partners and members may make books and records requests through an attorney or other agent. If an attorney or other agent makes this request, it must also provide a power of attorney or other writing demonstrating authority to act on behalf of the partner or member, as applicable. Prior to this amendment, partners and members could make books and records requests in person only. (Section 18-305 of the LLC Act; Section 17-305 of the LP Act; Section 15-403(d) of the GP Act)
5. Current Record Requirement: Every limited partnership and limited liability company must maintain a current record of the name and last known address of each partner, member or manager, as applicable. Prior to this amendment, limited partnerships and limited liability companies were not required to maintain this information. (Section 18-305 of the LLC Act; Section 17-305 of the LP Act)

The foregoing is a brief summary of certain important aspects of the 2014 amendments to Delaware law but is not intended to constitute legal advice on any particular subject.

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