

489.602 Events causing dissociation.

A person is dissociated as a member when any of the following applies:

1. The limited liability company knows or has notice of the person's express will to withdraw as a member, but, if the person specified a withdrawal date later than the date the limited liability company knew or had notice, on that later date.
2. An event stated in the operating agreement as causing the person's dissociation occurs.
3. The person's entire interest is transferred in a foreclosure sale under [section 489.503, subsection 6](#).
4. The person is expelled as a member pursuant to the operating agreement.
5. The person is expelled as a member by the affirmative vote or consent of all the other members if any of the following apply:
 - a. It is unlawful to carry on the limited liability company's activities and affairs with the person as a member.
 - b. There has been a transfer of all the person's transferable interest in the limited liability company, other than any of the following:
 - (1) A transfer for security purposes.
 - (2) A charging order in effect under [section 489.503](#) which has not been foreclosed.
 - c. The person is an entity and all of the following apply:
 - (1) The limited liability company notifies the person that it will be expelled as a member because the person has filed a statement of dissolution or the equivalent, the person has been administratively dissolved, the person's charter or the equivalent has been revoked, or the person's right to conduct business has been suspended by the person's jurisdiction of formation.
 - (2) Not later than ninety days after the notification, the statement of dissolution or the equivalent has not been withdrawn, rescinded, or revoked, the person has not been reinstated, or the person's charter or the equivalent or right to conduct business has not been reinstated.
 - d. The person is an unincorporated entity that has been dissolved and whose activities and affairs are being wound up.
6. On application by the limited liability company or a member in a direct action under [section 489.801](#), the person is expelled as a member by judicial order because any of the following apply:
 - a. The person has engaged or is engaging in wrongful conduct that has affected adversely and materially, or will affect adversely and materially, the company's activities and affairs.
 - b. The person has committed willfully or persistently, or is committing willfully or persistently, a material breach of the operating agreement or a duty or obligation under [section 489.409](#).
 - c. The person has engaged or is engaging in conduct relating to the limited liability company's activities and affairs which makes it not reasonably practicable to carry on the activities and affairs with the person as a member.
7. In the case of an individual any of the following apply:
 - a. The individual dies.
 - b. In a member-managed limited liability company any of the following apply:
 - (1) A guardian or general conservator for the individual is appointed.
 - (2) A court orders that the individual has otherwise become incapable of performing the individual's duties as a member under [this chapter](#) or the operating agreement.
8. In a member-managed limited liability company, any of the following apply:
 - a. The person becomes a debtor in bankruptcy.
 - b. The person signs an assignment for the benefit of creditors.
 - c. The person seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all the person's property.
9. In the case of a person that is a testamentary or inter vivos trust or is acting as a member by virtue of being a trustee of such a trust, the trust's entire transferable interest in the limited liability company is distributed.
10. In the case of a person that is an estate or is acting as a member by virtue of being

a personal representative of an estate, the estate's entire transferable interest in the limited liability company is distributed.

11. In the case of a person that is not an individual, the existence of the person terminates.

12. The limited liability company participates in a merger under [subchapter X](#) and any of the following apply:

a. The limited liability company is not the surviving entity.

b. Otherwise as a result of the merger, the person ceases to be a member.

13. The limited liability company participates in an interest exchange under [subchapter X](#) and, as a result of the interest exchange, the person ceases to be a member.

14. The limited liability company participates in a conversion under [subchapter X](#).

15. The limited liability company participates in a domestication under [subchapter X](#) and, as a result of the domestication, the person ceases to be a member.

16. The limited liability company dissolves and completes winding up.

[2008 Acts, ch 1162, §46, 155; 2023 Acts, ch 152, §50, 161](#)

Referred to in [§489.102, 489.502, 489.601](#)