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FORMING LIMITED LIABILITY COMPANY

Name of Company: _____

THINGS TO DO:

- Articles of Organization Date Filed: _____ Date Business Started: _____
- Company Information Sheet
- Investment Company Analysis
- Operating Agreement
- Certificates for Units/ Applicable/Not Applicable
- Form SS-4, Application for EIN Date: _____
- Order Minute Book: Applicable/Not Applicable; Date Ordered: _____

From: _____

Notes:

WORKSHEET FOR LIMITED LIABILITY COMPANY

Name: _____

Address: _____

Contact: _____ Phone: _____

Mailing Address (if different): _____

Type of Business (principal activity): _____

Latest Date on Which to Dissolve: _____

Number of Employees: _____ Fiscal Year Ends: _____

Name and Address of Resident Agent: _____

Name and Address of Members

No. of Units

Name and Address of Managers

Name of Tax Matters Partner: _____

Number of Units Issued: _____ Units at \$ _____ per Unit

Transferability of Units: _____

ATTORNEY: Investment Company Analysis

(Identify assets and corresponding values to be contributed to entity.)

Listed Assets:

- > Cash _____
- > Marketable Securities _____
- > Nonmarketable Securities _____
- > Foreign Currency _____
- > Interest in REIT, CTF, RIC, publicly-traded partnership
or other arrangement convertible or exchangeable into a
listed asset _____
- > Interest in a Precious Metal _____

- > Interest in Partnerships and Non-Corporate Entities:
 - > 100% of value of equity interest where 90%
or more in value of entity's assets consists of listed
assets _____

 - > Proportionate value of equity interest where 20%
or more in value but less than 90% in value of
entity's assets consists of listed assets _____

- Total Value of Listed Assets \$ _____

Non-Listed Assets:

>	Land	_____
>	Interest in Partnerships and Non-Corporate Entities	_____
>	0% of value of equity interest where 90% or more in value of entity's assets consists of listed assets	_____ -0-
>	Proportionate value of equity interest where 20% or more in value but less than 90% in value of entity's assets consists of listed assets	_____
>	Other Non-Listed Assets [describe]:	
>	_____	_____
>	_____	_____
>	_____	_____
	Total Value of Non-Listed Assets	\$_____

- a. What is the basis for the valuation of the assets? _____

Is it reliable? _____

- b. Total Value of Assets (i.e., Listed Assets plus Non-Listed Assets): \$_____
- c. Percentage of Total Value of Listed Assets to Total Value of Assets: _____ %
- d. Does the answer to paragraph c exceed 80%? Yes ___
No ___
- e. If answer to question d is No, then investment company rules should not apply.
- f. If answer to question d is Yes, then: Does plan exist for use of Listed Assets such that analysis should be made by reference to later circumstances? Yes ___
No ___
- g. If answer to question f is No, then go to question i.
- h. If answer to question f is Yes, then check documentation for plan and redo analysis based on later circumstances (Regs. Section 1.351-1(c) (2)).

- i. If answer to question f is No, then: Does diversification exist? Yes ____
No ____
- j. If answer to question i is No, then investment company rules should not apply.
- k. If answer to question i is Yes, then investment company rules apply and transfers of assets to entity is **taxable event**.

**CHECKLIST FOR FORMATION
OF A LIMITED LIABILITY COMPANY**

1. Formation, Name and Term

a. Name: _____
(Must contain either the words "limited liability company" or "limited company" or the abbreviations "L.L.C." or "L.C." The word "limited" may be abbreviated as "Ltd." and the word "Company" may be abbreviated as "Co.")

b. Term:
 Perpetual
 _____ (Latest date of dissolution and winding up, if not perpetual)

c. Qualification States where Company will do business.

2. Business

a. Business of the Company (Describe)

b. Principal Place of Business (Address)

c. Resident Office (Address)

d. Resident Agent (At the above address)

3. Membership Interests.

a. All interests the same (common)?

Yes No

b. Will some interests be referred interests?

Yes No

4. Management.

a. Type of Management

Member Managed. All Members have equal management rights.

Group of Managers.

Number: _____

Identity: _____

Single Manager

Identity: _____

Corporate Management Form

Board of Managers: _____

Officers:

b. Manager Election and Removal

(1) Term for Managers: _____

(2) Vote to Fill Vacancies:

Majority

Other

(3) Vote to Remove Managers:

Majority

Other

(4) Will removal require cause?

No

Yes

Definition of Cause:

5. Company Meetings

a. Members.

Member voting rules.

(1) Calculation

By contributions, as adjusted.

Other _____

(2) Amendment of Articles:

Majority

Other

(3) Amendment of Operating Agreement:

- Unanimous
- Other _____

b. Manager Voting Rules

(1) Majority required:

- Majority per capita
- Other _____

(2) Any supermajority voting requirements?

6. Contribution Provisions

a. Initial Contributions

(1) Identity of Members (attach separate sheet if necessary):

<u>Name</u>	<u>Percentage of Ownership</u>	<u>Amount of Contribution</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(2) Cash Contributions:

- At closing

Installments (describe):

(3) Non-cash (describe):

Agreed value:

b. Additional Contributions

(1) Obligation to make additional contributions:

No

Yes

(2) Additional voluntary contributions permitted?

No

Yes

(3) May Managers borrow to fund operating cost deficiencies?

No

Yes

7. Sharing of Profits and Losses, Distributions

a. Allocation of Profits and Losses

On basis of contributions

On basis of contributions, adjusted to reflect additions and withdrawals

On basis of sharing ratios

Shift upon "Payout"

describe payout event and shifts

Name	<u>Before</u> <u>Payout %</u>	<u>After</u> <u>Payout %</u>
------	----------------------------------	---------------------------------

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Other:

b. Sharing of Distributions

- On basis of contributions
- On basis of contributions, adjusted to reflect additions and withdrawals
- On basis of sharing ratios
- Other, including preferred interest:

b. Distribution of Net Cash Flow

- No
- Yes

How often?

Who decides?

8. Dissolution

a. Events of Dissolution

- Death
- Resignation
- Retirement
- Expulsion
- Bankruptcy
- Divorce
- Dissolution (of Member)
- Unanimous written consent
- All of the above

b. Right to Continue Upon Event of Dissolution

- "Majority in interest" of remaining Members
- All remaining Members
- Other

Time permitted for continuation decision:

- 120 days
- Other

c. Distributions Upon Dissolution:

Makeup of negative capital accounts?

- Yes
- No

9. Assignability of Interests; Restrictions on Transfer

a. Resignation

Not permitted

Permitted

Conditions:

c. Assignability of Interests

Consent required:

Of sole Manager

Of majority of Managers

Of Members

Required percentage:

c. Admission of Assignee as New Member

Vote required:

Majority in interest of remaining Members

Unanimous consent

d. Right of First Refusal of the Company Upon Sale of Interest

Yes

No

e. Option of Company to Purchase Upon Occurrence of Certain Events

No

Yes

Description of Events:

10.

Investment Company Analysis

(Identify assets and corresponding values to be contributed to entity.)

Listed Assets:

>	Cash	_____
.	Marketable Securities	_____
.	Nonmarketable Securities	_____
.	Foreign Currency	_____
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>	Interest in a Precious Metal	_____
>	Interest in Partnerships and Non-Corporate Entities:	
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> Other Non-Listed Assets [describe]:

> _____
> _____
> _____

Total Value of Non-Listed Assets \$ _____

a. What is the basis for the valuation of the assets? _____

Is it reliable? _____

b. Total Value of Assets (i.e., Listed Assets plus Non-Listed Assets): \$ _____

c. Percentage of Total Value of Listed Assets to Total Value of Assets: _____ %

d. Does the answer to paragraph c exceed 80%? Yes _____
No _____

e. If answer to question d is No, then investment company rules should not apply.

f. If answer to question d is Yes, then: Does plan exist for use of Listed Assets such that analysis should be made by reference to later circumstances? Yes _____
No _____

g. If answer to question f is No, then go to question i.

h. If answer to question f is Yes, then check documentation for plan and redo analysis based on later circumstances (Regs. Section 1.351-1(c) (2)).

i. If answer to question f is No, then: Does diversification exist? Yes _____
No _____

j. If answer to question i is No, then investment company rules should not apply.

k. If answer to question i is Yes, then investment company rules apply and transfers of assets to entity is **taxable event**.