



March 2, 2012

To: Senate Committee on Judiciary

From: Kathleen A. Taylor, Kansas Bankers Association *KAT*

Re: HB 2207: Series LLC

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear before the Committee today on **HB 2207**, regarding the establishment of series limited liability companies.

Last year, the Kansas Bankers Association had expressed concern with the original draft of the bill. Our concern was that the establishment of a new series within a limited liability company would allow the free flow of assets apart from liabilities, without any safeguards in place to prevent the defrauding of creditors.

Representative Bruchman was very responsive to our concerns, and has inserted language that requires the master LLC to file a Certificate of Designation with the Secretary of State as each series is established. We are comfortable with the fact that whenever a new series is created, a certificate must be filed, which gives the public, including creditors, notice of the formation of the series.

We are also pleased that the bill now also requires that each series have a name that contains the entire name of the master LLC that will be distinguishable from the name of other series. We believe this requirement will help clarify the relationship between the master LLC and any and all series within the master.

With these amendments, the KBA is now in a neutral position on **HB 2207**. Thank you for your time and consideration of my testimony.