

CT Corporation

Is your limited liability company ready to close up shop?

Regardless of the reason for terminating an LLC, there's more to it than just putting up a "Closed" sign.

Without proper termination, your LLC could be liable for:



Taxes & Annual Reports



Lawsuits



Identity Fraud Issues

STEP 1

Dissolution

Dissolution begins with a triggering event, which could be:

- An event set forth in the Operating Agreement or
- A member vote.

An entity must file Articles of Dissolution – after which regular business stops and "winding up" begins.

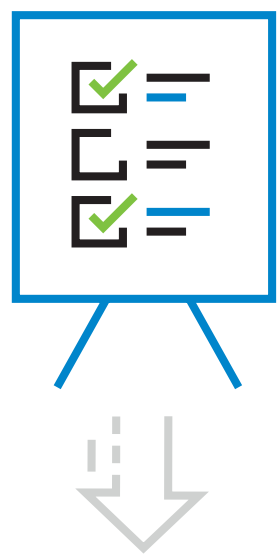


STEP 2

Winding up

Typical tasks include:

- Notifying creditors and making payment arrangements.
- Closing out bank accounts.
- Paying taxes and filing final tax returns and reports.
- Cancelling licenses, permits, and assumed names.
- Withdrawing from foreign states.
- Distributing remaining assets to Members.



STEP 3

Termination

The LLC's existence ceases when winding up is completed.

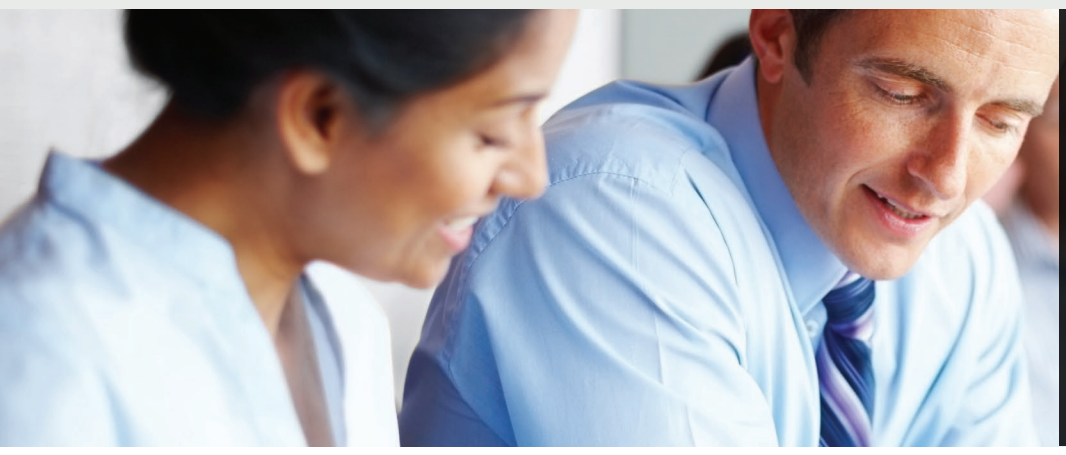
Some states require the filing of a document acknowledging completion of the winding up tasks.





Key takeaways

- LLC owners who no longer need their LLC should formally terminate its existence.
- Until termination, the LLC has to comply with state laws and can be penalized for a failure to do so.
- Dissolution and termination are steps that require compliance with LLC laws and the operating agreement.



CT Corporation's experts can help with many of these steps. To learn more about how to properly terminate your LLC, **contact CT Corporation**.

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