

ADVANTAGES OF A LIMITED LIABILITY COMPANY

1. THERE IS NO LIMITATION ON TYPE OR NUMBER OF OWNERS.
2. THERE IS NO LIMITATION ON CLASSES OF MEMBERSHIP INTERESTS.
3. THERE IS NO LIMITATION ON OWNERSHIP OF OTHER CORPORATIONS.
4. THERE ARE NO CITIZENSHIP REQUIREMENTS FOR MEMBERS OR MANAGERS.
5. IT HAS GOOD LIABILITY PROTECTION FOR MEMBERS AND MANAGEMENT.
6. THERE IS SIMPLIFIED PROFIT TAKING.
7. PERSONAL CREDITORS TREATED LIKE ASSIGNEES.
8. PERSONAL CREDITORS CANNOT FORCE SALE OF THE COMPANY.

DISADVANTAGES OF A LIMITED LIABILITY COMPANY

1. THERE ARE VARIED LIMITATIONS ON USAGE IN SOME STATES.
2. TAXATION ISSUES ARE UNRESOLVED AT THE STATE LEVEL.
3. THE TAX FLOW-THROUGH STATUS OF A ONE PERSON LLC IS QUESTIONABLE.
4. CASE LAW BACKING UP THE CONCEPT IS LIMITED.
5. OPERATIVE LIFETIME CAN BE LIMITED BY STATUTE.

