

Nevada Series LLC

The Series LLC is a new type of business entity that five States have adopted thus far. (Nevada, Delaware, Oklahoma, Iowa & Illinois)

The Series LLC allows a person to form one LLC (the parent LLC) and maintain several “cells” or “Series” under this LLC. Each cell can be maintained separately thus effectively producing multiple LLC protection for the cost of one. Take for example, a landlord in CA with 5 rentals. For each of his/her rentals, they would normally form a separate LLC to protect each property.

Alternatively, with the Series LLC you would only need to form the parent LLC and put each rental home into a cell or separate Series (i.e., Series 1, Series 2 or Series A, Series B, etc.). Each cell must be operated as a separate business enterprise. Each cell (Series) should have its’ own bank account, rental agreements, etc. All paperwork should have the series distinguished so that it is operating as that series and not the parent LLC. At the end of the year, all of the separate cells accounting would be consolidated for reporting on a single tax return.

Because the LLC is formed in Nevada, all States should allow for foreign registration to qualify in their State. This will allow for operation as a Series LLC in States where legislation has not been adopted.

Benefits:

1. *Significant cost savings on annual Secretary of State filing fees*
2. *File a single tax return instead of many*
3. *Separates assets while maintaining protection*

To maintain Series separation:

1. *Open a separate bank account for each Series*
2. *Clearly distinguish each Series from the others (i.e., Series 1, Series 2, etc.)*
3. *Sign a separate Operating Agreement for each series*

