**Title:** Knowing the ABC's of Your "Series LLC's" (Revisited)

**Subtitle:**

**Meta Description:** Knowing the ABC's of Your "Series LLC's" (Revisited)

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**Author:** James F. McDonough

**Formatted Content:**

This would seem, at first blush, diverse enough to include a Series LLC as a debtor under the Bankruptcy Code. It is, however, unclear if the separate Series within a Series LLC could themselves be separate bankruptcy debtors, or if they might instead have their assets and liabilities consolidated into the bankruptcy of the Series LLC. As stated, the answer would depend upon whether the Series would be considered separate legal “persons” under the Bankruptcy Code.  The case law on this point is minimal, so far, although it is sure to develop.

One final point: Even where entities are considered separate legal persons, federal law provides for “substantive consolidation” of their assets and liabilities in certain cases.  As noted in In re Owens Corning, 419 F.3d 195 (3d Cir. 2005), substantive consolidation can be justified where the movant shows that the entities disregarded their separateness so significantly that their creditors relied on the breakdown of entity borders, or that the entities caused their assets and liabilities to be so scrambled that separating them is prohibitive and hurts all creditors.

Hope This Helps,

Your Bankruptcy Guru

This analysis is somewhat obscure, but it provides excellent insight into the ever-changing difficulties of dealing with business entities and how their structures effect most actions – even that of filing for bankruptcy.

If you would like to visit "the bankruptcy guru's" blog, please click here.

**Raw Content:** <div>
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The other day I wrote a two-part blog entitled "Knowing the ABC's of Your 'Series LLC's.'"   This described my quest to decipher some of the complications inherent in dealing with "LLC's" (Limited Liability Companies), and with "Series LLC's" (Series Limited Liability Companies).  In doing this, I raised some difficult questions:
1.  Could a Series, LLC file for bankruptcy?  Could a Series, which is part of a Series, LLC file?
2.  Could the assets of one Series be used to satisfy a judgment of another Series?  Of the Series, LLC?
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These questions proved difficult, so I decided to send an email to my <a href="https://scarincihollenbeck.com/" target="\_blank" rel="noopener noreferrer">other colleague</a>, who is referred by everyone in my office as "the bankruptcy guru".  Strolling into my office today, I found a letter under my door -- the work of "the bankruptcy guru."  It touches on the questions that I asked:
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<blockquote><em>Dear Sir,</em>
<em></em><em>The answer to your several questions depends on whether the particular judge--bankruptcy court or civil--would consider that a Series LLC and its various Series entities are separate legal persons, or simply one entity. For example, Bankruptcy Code §§109(a, d) restrict Chapters 7 and 11 to “persons”, who are defined at §101(41) to include “individuals”, “corporations”, and “partnerships”. “Corporations” are defined at §101(9) to include “associations”, “partnership associations,” “joint-stock companies,” “unincorporated companies or associations” and “business trusts.”</em></blockquote>
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<p style="text-align: left;"><em>This would seem, at first blush, diverse enough to include a Series LLC as a debtor under the Bankruptcy Code. It is, however, unclear if the separate Series within a Series LLC could themselves be separate bankruptcy debtors, or if they might instead have their assets and liabilities consolidated into the bankruptcy of the Series LLC. As stated, the answer would depend upon whether the Series would be considered separate legal “persons” under the Bankruptcy Code.  The case law on this point is minimal, so far, although it is sure to develop.</em></p>
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<p style="padding-left: 30px; text-align: right;" align="right"><em>Your Bankruptcy Guru</em></p>
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