



# Ben Franklin Tax Services®

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972-235-2357 (O)

214-224-0820 (F)

Q. What is a series LLC? Should I form a series LLC?

Answer: A series LLC, formed under Texas law, is an LLC that provides in its governing documents for the establishment of a series of members, managers, membership interests, or assets that have separate rights, obligations and liabilities and business purposes from the general LLC. Each individual series has the ability to sue and be sued, enter into contracts, hold title to assets, and grant liens or security interests in its assets.

Q. A series of the LLC is not a separate domestic entity or organization for purposes of title 1 and chapter 101 of the Texas Business Organizations Code ("TBOC").

Answer: If you have questions about the legal or tax advantages/disadvantages of forming a series LLC, you should consult with your private attorney and/or tax advisor. The secretary of state's office cannot provide you with this advice.

Q. How do I form a series LLC in Texas?

Answer: You should consult with your private attorney if you are considering forming a series LLC. In order to receive any of the benefits of a series LLC, at minimum, the language required by the TBOC must be included in your certificate of formation and company agreement, and you must maintain separate records for the assets of each series. The secretary of state does not have a specific form to be used to form a series LLC.

**[If you like, you may contact [Help@BenFranklinTax.com](mailto:Help@BenFranklinTax.com) or, [Abutaib@Syed.Law.](mailto:Abutaib@Syed.Law.)]**

Q. If the series does business under a specific name, should an assumed name certificate be filed?

Answer: Yes. If each or any series of the LLC conducts business under a name other than the name of the LLC, the LLC must file an assumed name certificate for the name of the series in compliance with TBOC.

Q. Can I register my out-of-state series LLC to transact business in Texas?

Answer: Yes. A series LLC formed under the laws of another jurisdiction will be treated as a single legal entity for qualification purposes. The LLC itself rather than the individual series should register as the legal entity that is transacting business in Texas. The secretary of state has a separate application for registration form for foreign series LLC. If each or any series of the LLC transacting business in Texas transacts business under a name other than the name of the LLC, the LLC must file an assumed name certificate in compliance with TBOC.

Q. If I do business in another state, how do I register my series LLC to transact business?

Answer: Not all states recognize a series LLC. You should contact the filing official in the state(s) where you contemplate transacting business to determine if the state recognizes series LLCs and, if so, the filing requirements. You may also want to consult with your private attorney to determine if a series LLC is the best structure to meet your business goals. [Courtesy: TX SOS]