

Book Reviews

Limited Liability Companies and Partnerships in Colorado

by Herrick K. Lidstone, Jr. and Allen Sparkman
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Limited Liability Companies and Partnerships in Colorado is a practitioner's guide that is primarily focused on Colorado limited liability companies (LLCs) and Colorado partnerships, including general partnerships, limited partnerships, limited liability partnerships, and limited liability limited partnerships. A typical chapter opens with a discussion of the relevant Colorado LLC law and then compares and contrasts

the various Colorado partnership laws. In addition to the primary focus on Colorado unincorporated business entities, the authors frequently compare and contrast the Colorado law with the Delaware law on unincorporated business entities, especially when the Delaware law differs from the Colorado law or the Delaware courts have addressed a matter that has not been addressed by the Colorado courts.

The first chapter provides an interesting historical perspective of the development of partnerships (which date back to ancient times), limited partnerships, and LLCs. The early chapters address choice of entity issues and then walk the reader through forming the entity, drafting the operating or partnership agreement that governs the entity, and dissolving the entity. The chapters that follow focus on the rights and duties of members, managers, and partners; derivative actions filed by members on behalf of an LLC; the transfer of membership and partnership interests and the restrictions imposed on such transfers; creditors' rights and theories of owner liability for the debts of the entity; the merger or conversion of LLCs and part-

nerships into other business entities; special uses of unincorporated entities, such as single or special purpose entities, joint ventures, and regulated businesses, including the practice of law; and the "Series LLC," which provides for the segregation of assets under a single legal entity and is permitted under Delaware law but not yet under Colorado law.

Additional chapters address the applicability of the securities laws, income tax laws, and employment tax laws to LLCs and partnerships. The final chapters address the use of LLCs and partnerships for estate planning purposes, as well as ethical considerations, such as defining "who is the client" and potential conflicts of interest when the attorney represents multiple parties and enters into business transactions with the entity client.

The three appendices to the text are (1) a form operating agreement for a manager-managed, multi-member LLC, (2) a form operating agreement for a manager-managed, single-member LLC, and (3) an LLC formation checklist that summarizes the material points that counsel should consider when forming an LLC. Each of the appendices includes cross-references to where the relevant provisions are addressed in the text and annotations to the underlying law. The accompanying CD-ROM includes Microsoft Word versions of the form documents and a searchable table of authorities and subject matter index for the text.

Limited Liability Companies and Partnerships in Colorado is a comprehensive practitioner's guide that is suitable for seasoned transactional attorneys who routinely form unincorporated business entities and attorneys who occasionally work with discreet issues related to Colorado LLCs and partnerships. The text is compiled into coherent chapters that thoroughly address the Colorado statutes for unincorporated business entities; other substantive areas of the law related to LLCs and partnerships that attorneys routinely address, such as tax law and securities law; and practical uses of limited liability companies and partnerships to address specific client needs, such as estate planning.

Colorado attorneys who work with LLCs and partnerships and who purchase this cost-effective reference tool for their law libraries will quickly recoup the cost. Attorneys will also appreciate the well-developed forms of multi-member and single-member operating agreements and the LLC formation checklist, whether they are used as a starting point for drafting documents for a client or to supplement clauses in practitioners' existing form documents.

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