Article - Corporations and Associations

§4A–606.

Unless otherwise agreed, a person ceases to be a member of a limited liability company upon the occurrence of any of the following events:

(1) The person withdraws from the limited liability company as authorized by § 4A–605 of this subtitle;

(2) The person is removed as a member in accordance with the operating agreement;

(3) The person:
   (i) Makes an assignment for the benefit of creditors;
   (ii) Institutes a voluntary proceeding with respect to the person under the federal bankruptcy code;
   (iii) Is adjudged bankrupt or insolvent or has entered against the person an order for relief in any bankruptcy or insolvency proceeding;
   (iv) Files a petition or answer seeking for that person any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
   (v) Seeks, consents to, or acquiesces in the appointment of a trustee for, receiver for, or liquidation of the member or of all or any substantial part of the person’s properties; or
   (vi) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the person in any proceeding described in this item;

(4) The continuation of any proceeding against the person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, for 120 days after the commencement thereof, or the appointment of a trustee, receiver, or liquidator for the members or all or any substantial part of the person’s properties without the person’s agreement or acquiescence, which appointment is not vacated or stayed for 120 days
or, if the appointment is stayed, for 120 days after the expiration of the stay during which period the appointment is not vacated;

(5) In the case of a member who is an individual, the individual’s:

(i) Death; or

(ii) Adjudication by a court of competent jurisdiction as incompetent to manage the individual’s person or property;

(6) In the case of a member who is acting as a member by virtue of being a trustee of a trust, the termination of the trust;

(7) In the case of a member that is a partnership or another limited liability company, the dissolution and commencement of winding up of the partnership or limited liability company;

(8) In the case of a member that is a corporation, the dissolution of the corporation or the revocation of its charter;

(9) In the case of a member that is an estate, the distribution by the fiduciary of the estate’s entire economic interest in the limited liability company; or

(10) On assignment of all of a person’s economic interest in the limited liability company as provided in § 4A–603(d) of this subtitle.