Can I Judicially Expel My Fellow LLC Member If We Can't Get Along?

September 22, 2015

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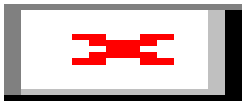
In the case of IE Test, LLC v. Kenneth Carroll (N.J. Appellate Division, Docket No. A-6159-12T4, decided March 17, 2015), the Court closely examined two related subsections of the former New Jersey Limited Liability Act concerning judicial expulsion. This particular case illustrates the N.J. Court's power to judicially expel an LLC member without showing any wrongful conduct, or any past event that caused adverse material harm to the LLC.

Given the relatively low showing required under this subsection, this decision is likely to increase the number of actions for judicial expulsion when members do not get along.

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