
Single member LLC

Posted by J.M. - 2009/06/25 21:57

If I have a single member LLC and that LLC is about to go out of business, then do i need to file a business bankruptcy or a personal bankruptcy to get rid of the debts of the single member LLC? Since I am the only one of the single member LLC i just wanted to know how that works. Thank you forum

J.M.

=====

Re:Single member LLC

Posted by Tomas - 2009/07/01 22:55

You could just liquidate the LLC. How is your personal financial statement? You probably only need to file bankruptcy on your personal assets and not the LLC.

=====

Re:Single member LLC

Posted by JPScott - 2009/07/03 21:42

There are some recent bankruptcy cases where a single member limited liability company did not provide any asset protection when the member is a debtor in bankruptcy court. The bankruptcy courts in Idaho, Maryland, Idaho and Colorado have exercised powers over single member LLCs without any using any of the legal theories commonly used by courts. The courts did not pierce the veil.

=====