

**Sunsets 1/1/2016**

**48-2c-807 Duties of managers and members.**

- (1) A member or manager shall not be liable or accountable in damages or otherwise to the company or the members for any action taken or failure to act on behalf of the company unless the act or omission constitutes:
  - (a) gross negligence;
  - (b) willful misconduct; or
  - (c) a breach of a higher standard of conduct that would result in greater exposure to liability for the member or manager that is established in the company's articles of organization or operating agreement.
- (2) Each member and manager shall account to the company and hold as trustee for it any profit or benefit derived by that person without the consent of members holding a majority interest in profits in the company, or a higher percentage of interests in profits provided for in the company's articles of organization or operating agreement, from:
  - (a) any transaction connected with the conduct of the company's business or winding up of the company; or
  - (b) any use by the member or manager of company property, including confidential or proprietary information of the company or other matters entrusted to the person in the capacity of a member or manager.
- (3) Unless otherwise provided in a company's articles of organization or operating agreement, a member of a manager-managed company who is not also a manager owes no fiduciary duties to the company or to the other members solely by reason of acting in the capacity of a member.