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## LLC Members and Managers No Longer Immune From Liability Under Illinois Law

Members and managers of limited liability companies can no longer hide behind what was previously a cloak of immunity under of section 10-10 of the Illinois Limited Liability Company Act. On August 23, 2019, the Illinois legislature approved an amendment to section 10-10 of the Illinois Limited Liability Company Act (805 ILCS 180/10-10), which specifically overrules the cases of *Dass v. Yale*, 2013 IL App. (1st) 122520 and *Carollo v. Irwin*, 2011 IL App. (1st) 102765.

Previously, under *Dass* and *Carollo*, the Illinois appellate courts ruled that managers of Illinois limited liability companies were not personally liable for even fraudulent acts, provided that the managers were acting within their authority and on behalf of the company. Thereafter, the Illinois courts looked no further than the language in section 10-10 to insulate managers of limited liability companies for fraud, defamation, and breach of fiduciary duties.

By passing the amendment, the Illinois legislature made it clear that managers of limited liability companies may be liable for their own wrongful acts

or omissions, even when acting or purporting to act on behalf of a limited liability company. The amendment to section 10-10 of the Limited Liability Company Act brings it in line with the Illinois Business Corporation Act by making managers and members potentially liable when acting on behalf of a limited liability company, if they would be liable under the rules of agency, contract and tort law. The amendment becomes effective January 1, 2020.