Minnesota's Limited Liability Company Statute Changes January 1, 2018

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Minnesota law regarding limited liability companies changes on January 1, 2018. On that date almost every limited liability company (LLC) formed in Minnesota under its "old" 1992 law will now fall under a new much different 2014 LLC law. The new law differs from the old in many ways, including providing far fewer default provisions. The default features it does provide differ dramatically from the old law.

These differences can be striking and unexpected. For example, the new law's default for owner voting is not based proportionally on the number of units or shares owned, but by the owner, per capita. The new law has a similar default provision for the distribution of income; per capita and not proportional to ownership percentage. The new law allows members to define acceptable conduct, regarding conflicts of interest for example, where the old law might have prohibited such conduct.

However, these new default provisions will not significantly affect LLCs formed under the old law if the LLC's existing organizational and operational documents addressed those important issues. Thankfully, most "old" LLCs formed with an attorney's assistance included fairly detailed written member control and operating agreements which addressed such important issues. However, many LLC's formed by business owners directly using the statutory minimum document set may not enjoy detailed written rules. That means the old law defaults, such as proportional voting and income distribution, will change to per capita voting and distribution in January. Obviously, this could fundamentally alter the operation of certain lopsided ownership LLCs.

LLC owners should carefully review their existing organizational and operational documents soon. If those documents are inadequate, the owners should take the time to write a detailed "operating agreement." That document should address all of the important details for the LLC's operation including, among many things, voting and income distribution and conflicts of interest. The company attorney and accountant can usually review existing LLC documents and prepare new ones. TM

Four Disruptive Technology Trends in Trucking

An opinion piece by Victoria Kresge, Vice President, NationaLease

When it comes to the trucking industry, we deal with a pace of change that has been constant for years: changing fuel costs, increased regulations, driver shortages, etc.

These issues definitely have an effect on industry revenue; however, they are not technically disruptive. But now four distinct trends are currently disrupting the trucking industry. It's essential to recognize the advantages these trends offer, realize the challenges they pose and identify how to deal with them.

Telematics:

This integration information and the communication technology enables vehicles to send, receive and store information related to that vehicle via telecommunication devices.

- Advantages: Full visibility into every aspect of your vehicle's situation (location, detention time, equipment issues) provides the data necessary to optimize your entire fleet's performance.
- Challenges: New technologies add extra cost to the truck, which can be difficult for smaller fleets or owner-operators to absorb. For all size fleets, consideration must be given to the time it takes to install equipment and train drivers and technicians.
- Dealing with challenges: Fleet managers need to look at telematics as more than just a way to be compliant with new and potential regulations. The data provided also give information that can be used to make more strategic decisions for fleet operations and performance.

Uberization:

Capitalizing on the concept of the "gig" economy represented by Uber and Lyft, trucking now has apps to locate empty truck space. The concept is not new; it's just a new way to approach freight consolidation.

- Advantages: For the carrier, this is a way to monetize empty miles. For shippers, it's a way to

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