General Information

Who can form a limited liability company (“LLC”)? One or more persons can form an Arizona LLC by signing and filing Articles of Organization with the Arizona Corporation Commission. A.R.S. § 29-3201. These persons are called “organizers.” “Person” includes individuals and entities. A.R.S. § 29-3102. “Entity” means domestic or foreign corporations, limited liability companies, and other associations. Statutes are available on the Arizona Legislature’s website, www.azleg.gov, by following the link for Arizona Revised Statutes.

Does the organizer have to be a member or manager? No. The person or persons who sign the Articles of Organization can be, but do not have to be, members or managers of the LLC before or after formation of the LLC.

What are the LLC name requirements? The examiner will determine if the LLC name to be used complies with the statutory requirements, but you can review the name criteria, check for name availability and, if desired, submit a name reservation application by using our website at www.ecorp.azcc.gov Reserving the name is not required. Web access is available to the public at our Phoenix and Tucson offices.

The LLC name must satisfy the requirements of A.R.S. § 29-3112. The professional LLC name must satisfy the requirements of A.R.S. § 29-4106. Statutes are available on the Arizona Legislature’s website, www.azleg.gov, by following the link for Arizona Revised Statutes.

The minimum requirements under Arizona law for the name of a limited liability company are that it:

shall not contain the words “association”, “corporation”, “Incorporated”, or an abbreviation of those words.

If the name contains any of the following words, prior written approval must be obtained from the Arizona Department of Financial Institutions before registration is allowed:
Bank; Banker; Banking; Banc; Banco; Banque; Credit Union; Deposit; Savings Association; Building Association; Savings and Loan Association; Building and Loan Association; Savings Bank; Thrift; Trust; or Trust Company. See A.R.S. §§ 29-3112.

A professional limited liability company name shall not conflict with any of the above, and shall contain the words “professional limited liability company” or one of the following abbreviations: “P.L.L.C.”, “P.L.C.”, “PLLC”, or “PLC”, in upper or lower case letters.

Trade name – if the entity name you wish to use has an identical existing trade name registered with the Secretary of State’s office, the owner of the trade name must be listed within the document as one of the following: member, manager, officer, director, or statutory agent.

Should I form a professional LLC? You should check with the agency or board that licenses your profession to see if it requires you to form a professional LLC or if it prohibits you from forming a professional LLC. See A.R.S. § 29-4102 through 29-4108. The Arizona Corporation Commission cannot tell you whether you can or should form a professional LLC, because this issue may involve legal or tax advice, and Commission staff cannot give legal or tax advice to the public.

Note: if you are a licensed real estate agent or broker, check with the Department of Real Estate for requirements before creating your PLLC.

A.R.S. §§ 29-4102 through 29-4108 apply to professional LLCs. Statutes are available on the Arizona Legislature’s website, www.azleg.gov, by following the link for Arizona Revised Statutes.

Can I form a nonprofit LLC? You may form a limited liability company and it can apply to the Internal Revenue Service (IRS) for tax-exempt status, but you do not form a “nonprofit LLC” in Arizona. It is advisable to seek the advice of your tax or legal professional and/or the IRS (www.irs.gov) before you form your LLC. The Commission staff cannot give you legal or tax advice, and cannot tell you whether your LLC will qualify for tax-exempt status.

Should my LLC be member-managed or manager-managed? A general description of each type of management structure is below. The Arizona Corporation Commission cannot advise you on this issue because it involves legal advice, and Commission staff cannot give legal advice. It is prudent to seek the advice of an attorney before forming your LLC in order to make an informed decision about the management structure of your LLC.

Member-managed LLCs have at least one member and do not have any managers listed in the records of the Commission. In general, in a member-managed LLC that has no operating agreement, each member has authority to act for the LLC and each member has one vote per member. Member-managed LLCs with no operating agreement are very similar to partnerships in the way decisions are made, with most day-to-day decisions being made by a majority vote of the members. See A.R.S. § 29-3301. Caution – in a two-member LLC with no operating agreement that provides otherwise, both members will always have to agree on every action or decision, because there will never be a majority.

Manager-managed LLCs have at least one manager listed in the records of the Commission, and at least one member who must be listed if the member owns 20% or more of the LLC. In general, in a manager-managed LLC that has no operating agreement, each manager
has authority to act for the LLC and
day-to-day decisions are made by
a majority vote of the managers, with
each manager having one vote. See
A.R.S. § 29-3301. Manager-managed
LLCs are very similar to corporations in
the way day-to-day decisions are made.
For example, the managers are like the
board of directors of a corporation, and
the members are like shareholders.
Caution – if there are two managers
and no operating agreement that
provides otherwise, both managers will
always have to agree on every action or
decision, because there will never be a
majority.

Can the LLC have only one
member? Yes.

Can the only member also be the
only manager? Yes.

What is an operating agreement
and do I need one? An operating is a
written or oral (verbal) agreement
between all members concerning the
affairs of the LLC or the conduct of its
business. See A.R.S. §§ 29-3102 and 29-
3105 through 29-3107. An operating
agreement is not required by statute. If
there is not operating agreement, then
the LLC statutes will govern how the LLC
conducts its affairs. Your needs may not
be addressed by those statutory
provisions, and, therefore, you might
want an operating agreement. For
example, the LLC statutes provide that
each member has one vote, but you
may want the member who owns a
60% interest to have 60% of the total
total voting power. Unless there is an
operating agreement that changes the
voting to percentage interest, then each
member will always have one vote, no
matter what percentage they own. As a
further example, the statutes limit the
reasons for expelling members, and you
may want more freedom to expel
members.

You should seek the advice of a
competent professional such as an
attorney concerning the particular
needs of your LLC to determine
whether you need an operating
agreement and what it should contain.
The Arizona Corporation Commission
does not have a form for an operating
agreement, and cannot advise you at all
about operating agreements. DO NOT
FILE operating agreements with the
Arizona Corporation Commission.

What is a Statutory Agent?
A Statutory Agent is an individual or a
business entity that the LLC appoints for
the purpose of accepting service of
process (lawsuit papers or legal
documents) for the LLC. See A.R.S. §§
29-3115. The agent is called a
"statutory" agent because a statute
requires that the LLC appoint someone
for this purpose. See A.R.S. § 29-3115.
If, for example, a lawsuit is filed against
the LLC, the Statutory Agent will be the
one who is served (receives the papers
on behalf of the LLC), and then the
Statutory Agent should give the papers
to the LLC. Note that the law requires
that the LLC maintain a statutory agent
with a valid address on the records of
the Arizona Corporation Commission at
all times, and the failure to do so will
subject the LLC to being administratively dissolved. See A.R.S.
§§ 29-3708. Official notices from
the Arizona Corporation Commission will
be sent to the statutory agent’s
address.

Who can be the Statutory Agent?
A Statutory Agent can be an individual,
or an Arizona corporation or LLC, or a
foreign corporation or LLC that is
authorized to transact business in
Arizona. An LLC cannot be its own
Statutory Agent – it must appoint
someone apart from itself. For example,
the LLC can appoint one of its members
or managers in his or her capacity as an
individual as the statutory agent, but
cannot appoint the LLC itself as the
statutory agent.

If an individual is appointed as the
statutory agent, that individual must be
a permanent, full-time resident of the
State of Arizona and must have a
permanent, full-time physical or street
address in the State of Arizona. The
mailing address, if any, of that
individual statutory agent must also be
in Arizona.

The statutory agent must accept the
appointment in writing. The statutory
agent can accept the appointment by
completing and submitting the Statutory
Agent Acceptance form M002 found on
our website at: www.ecorp.azcc.gov
If the statutory agent is an entity, an
authorized agent of that entity can sign
the acceptance. An authorized agent is
anyone given authority to sign for
that entity.

Is publication required? Yes. See
A.R.S. § 29-3201. A notice of the filing
of the Articles of Organization is
required to be published.

DO NOT PUBLISH UNTIL THE
COMMISSION APPROVES THE
ARTICLES FOR FILING. If your
statutory agent street address is in
Maricopa or Pima county, a notice will
automatically be published on our
website in the public notice section.
If your statutory agent street address is
outside of Maricopa or Pima county,
you will need to publish notice in a
newspaper. The approval letter you will
receive from the Arizona Corporation
Commission will contain information
on how to publish. You can also visit our
FAQ’s page online for more information.

When is the LLC formed?
If no date is specified – if no delayed
date is specified in the Articles of
Organization, and if the Articles of
Organization meet all statutory filing
requirements and all fees are paid, the
LLC is formed on the date the Articles
were delivered to the Arizona
Corporation Commission.

If a delayed effective date or time or
both is specified – if the Articles of
Organization meet all statutory filing
requirements and all fees are paid, the
Articles would be effective on the
specified time and date. If a delayed
date is specified, but no time is given,
then the time used will be 12:01 a.m.
Mountain Standard Time. A delayed
effective date may not be later than the
ninetieth (90th) day after the date the
Articles are delivered to the Commission
for filing.

If all filing requirements were not met,
the Arizona Corporation Commission will
send notice that additional information
and/or fees are required. If the
requested information and/or fees are
provided within that 30 days and all
statutory filing requirements are met,
then the LLC will be considered formed
as of the date the original Articles were
first delivered to the Commission.

Filing fee. The filing fee is $50.00. For
expedited processing (read the next
paragraph), add $35.00 to the filing fee.
All fees are nonrefundable. See A.R.S. §
29-3213.
**Instructions**

**Number 1.** Check one box to indicate whether the LLC will be a regular (non-professional) LLC or a professional LLC. Please refer to "Should I form a professional LLC" under the General Information section above.

**Number 2.** Give the exact name of the LLC, including exact spelling, punctuation, and an appropriate LLC identifier such as Limited Liability Company or LLC, etc. Please refer to “What are the name requirements” under the General Information section above.

**Number 3.** If the LLC will be a professional LLC (if “professional limited liability company” was checked in number 1), then briefly describe the type of professional services that will be rendered by the LLC.

**Number 4.1.** Please refer to "What is a statutory agent" and "Who can be the statutory agent" under the General Information section above. List the name of the statutory agent – either an individual or entity, not both. If the statutory agent is an entity, you can put the name of a person to whom correspondence will be directed on the “Attention” line directly underneath the statutory agent name line, and the name will become part of the address. A name in the “Attention” line will NOT change the identity of the statutory agent. Provide a street address for the statutory agent directly underneath the “Attention” line, completing all blanks that are not marked optional.

You must also provide a mailing address which can be the same as the street address. The address will be viewable by the public on the internet.

Note that LLCs are required to maintain a statutory agent at a valid address in the records of the Arizona Corporation Commission at all times, and failure to do so will subject the LLC to being administratively dissolved. See A.R.S. §§ 29-3708. Note that official notices from the Arizona Corporation Commission will be mailed to the statutory agent at its mailing address.

**Number 4.2.** The statutory agent named in number 4.1 must have a separate mailing address, which can be a P.O. Box or a personal mail box. The address will be viewable by the public on the internet. If the statutory agent is an individual, the mailing address must be in Arizona. Complete all address blanks that are not optional. Note that official notices from the Arizona Corporation Commission will be mailed to the statutory agent at its mailing address.

Note that LLCs are required to maintain a statutory agent at a valid address in the records of the Arizona Corporation Commission at all times, and failure to do so will subject the LLC to being administratively dissolved. See A.R.S. §§ 29-3708.

**Numbers 6 and 7.** You must select a management structure for the LLC. Choose either 6 or 7, but not both. Please refer to "Should my LLC be member-managed or manager-managed" under the General Information section above.

**Number 6.** If the LLC will be manager-managed, check this box and then complete and attach only the Manager Structure Attachment. The Articles will be rejected if they are submitted without the Manager Structure Attachment.

**Number 7.** If the LLC will be member-managed, check this box and then complete and attach only the Member Structure Attachment. The Articles will be rejected if they are submitted without the Member Structure Attachment.

**Signature and Verification**

The organizer must sign the Articles of Organization.

The document is submitted under penalty of law.

Sign on the signature line in the Signature section. Print the name of the individual signing. Fill in the date.

**Submit the document**

**Cover Sheet.** All documents should be submitted with a Cover Sheet. Forms are available on our website at this link: [www.ecorp.azcc.gov](http://www.ecorp.azcc.gov).
What to submit:
1. Cover Sheet
2. Articles of Organization
3. Member Structure Attachment
   OR
   Manager Structure Attachment
4. Statutory Agent Acceptance
5. Payment.

By Mail. Mail the completed paper document, cover sheet, and payment (see below for payment information) to:
Arizona Corporation Commission
Corporations Division
1300 W. Washington St.
Phoenix, Arizona  85007

In Person. Deliver the completed document, cover sheet, and payment (see below for payment information) to:
Arizona Corporation Commission
Corporations Division
1300 W. Washington St.
Phoenix, Arizona  85007

Payment Methods

Credit card. If submitting the document in person, payment by credit card is acceptable. Credit cards cannot be used if submitting by mail or by fax. The Arizona Corporation Commission accepts only Visa or MasterCard.

Check. If submitting the document by mail or in person, payment by check is acceptable. Checks must be made payable to "Arizona Corporation Commission," with all words spelled out and no abbreviations. Checks must be completely and properly filled out, including the amount sections. We will not accept checks drawn on non-U.S. banks.

Money order. If submitting the document by mail or in person, payment by money order is acceptable.

Cash. If submitting the document in person, cash payments are acceptable. Do not mail cash. NOTE: No bills larger than $20.00 will be accepted.

Questions
For questions, contact Customer Service Service at 602-542-3026, or, within Arizona only, 800-345-5819.