



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429

Division of Supervision

LIMITED LIABILITY COMPANIES

FIL-106-2002
September 6, 2002

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: FDIC Seeks Comment on Proposed Rule Regarding Insurance for State Banks That Are Chartered as Limited Liability Companies

The Federal Deposit Insurance Corporation (FDIC) is requesting public comment on the attached proposed rule clarifying that a state bank that is chartered as a limited liability company (LLC) could be considered eligible for federal deposit insurance. Comments on this proposed rule are due by October 21, 2002.

The proposal contains some restrictions on when an LLC can be considered eligible for deposit insurance. The restrictions include that the LLC:

- have no automatic termination events,
- have no restrictions on free transferability of an owner's interest,
- provide limited liability for its owners, and
- provide for a board of managers.

For more information on the proposed rule, please contact Steven Fritts, Associate Director in the FDIC's Division of Supervision and Consumer Protection, at 202-898-3723 or Robert Fick in the FDIC's Legal Division at 202-898-8962.

Michael J. Zamorski
Director

Attachment:
July 23, 2002, *Federal Register*, pages 48054-48059 [HTML](#) or [PDF](#) (59kb File - [PDF Help](#) or [Hard Copy](#))

Distribution: FDIC-Supervised Banks (Commercial and Savings)

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