

The Liability of the Authorized Signatory in the Limited Liability Company (L.L.C)

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ABSTRACT--*The aim of this study is to high light on the legal status of the authorized partner in the Limited Liability Company, whether he is in a frame of a partner, or within his position capacity frame (non-partner), This research is divided into three sections, the first section has addressed the characteristics of the Limited Liability Company through three sections, due to its mixed characteristics as it comprises within its frame both the characteristics of the joint-stock corporations and peoples companies, as to present the responsibility of the authorized signatory the second section has defined the methods of formation for such type of companies. While the third section addressed the responsibility of the authorized signatory in terms of the judgments of the Jordanian Cassation Court, that related to the title of the research, due to the lack of specialized legal provisions that govern the legal status of the authorized signatory for the Limited Liability Company within the Articles of the Jordanian Companies Law that devoted for the Limited Liability Companies.*

Keywords-- *The Liability of the Authorized Signatory in the Limited Liability Company (L.L.C)*

I. “THE INTRODUCTION”

The limited liability company (L.L.C) deemed as one of the companies of mixed characteristics, as it comprises within its frame both the characteristics of the joint-stock corporations and peoples companies simultaneously.

By reviewing a various legislations, we will figure out that the majority of these legislations did not set a terse and collector definition for the limited liability companies, and the absence of such definition is not accounted as a deficiency and will not constitute as a legal loophole, as the definition of the idiomatic concepts is the scope of legal jurisprudence and the judiciary.

The Jordanian legislator adopts this approach, as he did not define the Limited Liability Company, but rather, he relied on its characteristics when it comes to explaining such companies, this deems evident during a deep extrapolation of the content of Article (53) of the Jordanian Companies Law, as paragraph (A) of Article (53) stipulate by: " The Limited Liability Company consists by two or more individuals, therein partner's liability against debts, obligations, and incurred losses are equal the percentage of his share in company capital".

Article (53) illustrated partner rights and obligations, as the Limited Liability Company consists by two or more individuals, with a financial liability that is independent of the financial liability of each partner (Al-Aqili, 2014), this Article indicates also that the partner therein the company, has no obligations toward the losses which incurred by the company except within the limit of his stake in the company, without prejudicing partner own assets, and this is the advantage of this type of company comparing by other types of companies, specifically the

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Joint Liability company as it is considered as peoples companies, in which the partners are responsible in all their assets within joint liability for the company's debts, therefore, the partner in the limited liability company shall not describe as a merchant and do not acquire this description, whereas the Merchant description is designated only for the company as a legally independent entity of the privacy of the partners.

Accordingly, this research will address the responsibility of the authorized signatory for the Limited Liability Company, and the practical symmetry extent of these responsibilities with the Jordanian Cassation Court decisions.

To address all aspects of the topic, this research will be divided into three sections, as the first section deals with the Limited Liability Company characteristics, and the second section scouts the formation of Limited Liability company, while the last third section will address the title of the research, by indicating the responsibility of the authorized signatory in this type of companies, whether he is a partner or authorized signatory in terms of his post.

II. FIRST SECTION CHARACTERISTICS OF THE LIMITED LIABILITY COMPANY

The limited liability company (L.L.C) is distinguished by several characteristics that unique it from other types of companies, this difference took place due to multiple factors, the forefront factor is this type of company carries mixed characteristics, below a list of these characteristics :

I- Setting the Number of Partners:

Many legislations have set the number of partners in the Limited Liability Company (L.L.C), as it consists by two or more partners who are in-charge for the company's debts, matching to the extent of their capital shares, some legislations specified the upper limit for the partners in the limited liability company as well, some limited to the number of partners does not exceed (25) Partner, whereas others specified it with (50) partners and their argument by this limitation is the reality of these companies business is limited to small and medium operations that maintain the personal character of the partners.

The French legislation in the law issued on (7-11-1985) has defined the Limited Liability Company (L.L.C) by the below listed three basic parameters:

- 1- The Limited Liability Companies are a medium or small volume companies, and the partners therein do not exceed (50) partners. Such type of company can be established by one partner, as it can be described as a limited liability company.
- 2- Partners liability limits match with the extent of their capital shares.
- 3- Partners' personality remains to consider.

When referring to the Egyptian Companies Law, it will be noticed that the Egyptian legislator has adopted the French legislator's approach by defining the Limited Liability Company, as these characteristics were clarified in Article (4) of the Egyptian Companies Law No. (159) of the year (1981) by " It consists of numbers of partners that do not exceed fifty, the liability of each partner limited to the extent of his capital share", as it is not permitted to foundress such company, or increase its capital, or funding it through **Public offering**, also issuing negotiable shares or bonds is not allowed (**Al-Saharawi, 1998**), while the English legislator has defined in the English

Companies Law of (1980) the characteristics of the limited liability company in terms of the maximum limit of the partners , by stating "A company consisting of two or more individual's, where the partner's liability therein for the company debts, obligations and losses shall match to the extent of his capital shares, and the partner's share shall be transferred to the inheritors or whoever he recommends In the event of his death, and Number of partners in the Limited liability Company shall not exceed the fifty partners."

Shown clearly in the previous provisions, that many legislations stipulated the maximum limit of partners in the Limited Liability Company, while, there is no determination for the maximum partners in the Limited Liability Companies within the folds of Jordanian Law, or perhaps omitting such characteristic, in which this characteristic considered as important characteristic due to it's an indication to the small projects nature of the company, or in an accurate meaning, the family business nature of these companies.

And in terms of the minimum number of partners in the Limited Liability Company, the Jordanian legislator had omitted in formatting a comprehensive legal draft within the same Article, therefore, it was necessary for the legislator to find a comprehensive constitutional formula to remedy the deficiency present in the current formula, while the Jordanian legislator permits to establish a Limited Liability Company within a single owner as stipulated in paragraph (b) of the aforementioned Article, "The Limited Liability Company shall consist of one owner, within two conditions, the first condition subjected to companies controller approval in registering a Limited Liability Company of a single owner, while the second condition, is that due to force circumstances, the limited liability company becomes single-owner, an example of a partner death or quitting from the partnership.

However, addressing such defects in the provision text takes a place within the company's Association Articles, as the establishment contract contains a provision for the minimum shareholders and shares transfer methods between partners, and may found a rule for handling this issue in the company's internal system.

As all the legislative statements that related to the Limited Liability Company did not specify the partners' nature, as the word "partners" is absolute, accordingly it is permissible the partners be natural or legal individuals, due to most of the commercial laws have addressed two types of merchant, either natural or legal traders.

One of the substantive pillars of company contract is the multiplicity of partners, which must be available in all types of companies contracts, but it is noted that all companies laws have been affected by the new trend of the single-owner company, the German and the French laws are part of these laws, with a reservation for the differences between the provisions of single-owner company and Limited Liability Company (Al-Qudah, 1997).

However, Part of the jurisprudences adopt the principle of that the single-owner company do not compatible with the concept of the Limited Liability Company, as this term contradicts with the legislative description of the company in all legislations, by other meaning, to launch a legal description it is necessarily necessitates harmonized the name to the description (Al-Azzawi, 1988)

Worthwhile, that according to the Jordanian law provisions, the Limited Liability Company does not expire due to partners' increase as a result of any partners' death, as been mentioned previously that the Jordanian Law did not specify the max limit of partners in the Limited Liability Company.

II- Non-permissibility of the Public Offering and the issuance of Shares and Bonds:

Paragraph (B) of Article (54) of the Jordanian Companies Law, do not permit the limited liability company to offer its shares, increase its capital, or funding it's through Public offering.

It's also extracted from the above-mentioned paragraph, the means of transferring the shares between the partners that are carried out per the provisions stipulated in the Companies Law within the special conditions included in the internal regulations of this company so that it is not permissible to transfer them by commercial means as is the case in the joint-stock corporations.

The Jordanian legislator showed flexibility in dealing with the issue of methods of transferring and selling the shares between partners and others through the provisions of Articles (72,73,74) of the Jordanian Companies Law to preserve the personality feature that characterized such type of companies, and If the legislations permit the limited liability company to offer its shares for a public offering or issue shares, this will leads to a case that many partners do not know each other, which will result in demising the limited Liability Company adjective.

III- *Setting the waiver assignment of partners' shares:*

By referring to paragraph (A) of Article (54), the Jordanian legislator has determined that the capital of the limited liability company shall be set in Jordanian dinars, providing that the company capital not less than the minimum amount that assumed for this purpose by the system, the Article previously was before text amendment stipulates by that the capital of the limited liability company shall not be less than thirty thousand dinars, divided into equal shares.

The capital shall be divided into equal stakes, the value of each stake to be at least one dinar Indivisible, in case that the stake owned by more than one person by any reason, the partners shall nominate one of them to represent them in the company, while if they failed in mutual consent on one of them within (30) days from the date of their participation in the stake, therefore their representor will be the person who's selected by the company's director or the board of directors, meanwhile, in some countries such as the United Arab Emirates, the legislator has determined the company's capital amount by at least one hundred and fifty thousand Dirhams, as well as the Algerian legislator who set a limit for the capital of Limited Liability Company.

The French company law defined the minimum capital for the Limited Liability Company according to the provisions of the law that issued on the first of March 1984, this law gave a deadline expire in first of March 1989 for the existing companies which it's capital less than the specified amount to correct its conditions, or it shall switch into another type of companies, otherwise, it will be purified by law-force, and as the specified capital by the French legislation for the Limited Liability companies is a very small amount, usually, banks require from this company upon the loan, a personal guarantee by the manager or any of partners against the loan value, as a matter of fact, such Custom in Banking transactions, followed in Egypt also, gives the Limited Liability company two kinds of partnership, a solidarity partners and partners liable as much as their shares, this will cause to demise the most important characteristics of such company in which the limited liability of all partners (Qalioubi, 2016)

Despite the importance of capital existence at the Limited Liability Company and the necessity of capital availability at time of its establishment and throughout its functioning period as specified in its contract, however, we believe that any benefited party has the right to dissolution the company by law if the company capital not raises to the minimum determined per the company's contract and the system allocated for this purpose.

Extract from above, there are some Limited liability companies carry out its commercial activities without observing the minimum limit of capital, either there is no one has submitted a request to dissolve the company by law, or there is no interest for anyone to apply for legal dissolving, and this may lead for disastrous results in reality, as the capital of a limited liability company is the only guarantee for creditors, and banks when granting credit facilities for this type of company rely on the announced company's capital and that specified at incorporation.

III. CORPORATION TRADE NAME:

The Jordanian Companies Law stipulates that the Limited Liability Company derive its Trade Name from its establishment purpose, without pointing out any name of the partners, as stated in Article (55) of the same law: "The Limited Liability Company derives its name from its objectives, and the phrase (with Limited Liability) may be abbreviated by (L.L.C), and its Trade Name and its Capital value shall be indicated in all letterheads and publications that used in its performance and the concluded contracts".

Thus, the Jordanian legislator has identified the title of the Limited Liability Company in terms of its establishment purpose, and the reason for not indicating the partners' names in its title is partners' limited responsibility feature in the company.

Versa from the Jordanian case, the Egyptian legislator permitted the Limited Liability Company to have a commercial name that indicates for one partner or more partners and may also have a commercial name that derives from the establishment purpose, which we believe that may raise suspicion or confusion about company type or its reality, and this company not allowed to be named.

Despite that partners' names can be mentioned in the company title according to the Egyptian legislation, this does not affect others interests, because of the clarity of wisdom of penalty that consequence by not mentioning (with Limited Liability) in the title of the company, as it's a solidarity responsibility of the managers by their own money towards others, and this is also adopted by the Kuwaiti legislation, it is noted that both Egyptian and Kuwaiti legislation have been affected by the French legislation, which enacted criminal sanctions for the company's management for neglecting to place the phrase "with Limited Liability" before or after the Company title according to "Article (429) of the 1966 Law" and civilian penalties for all company managers and partners, as they carry out responsibility similar to partners responsibility in the solidarity companies if this omission leads to mistaken others regarding the company nature and assume it as solidarity company (Qalioubi, 2016).

Although the Jordanian Companies Law require to add the phrase "with Limited Liability" within its Article (55), however, he omitted to mention the penalty which resulted from violating this provision, but this does not prevent the partners' liability if non-mentioning this phrase results in others to mistake or confuse them about the nature of this company and assuming that it is one of the public companies that bear the nature of solidarity and personal responsibility of the partners.

While, the Jordanian legislator put the responsibility toward the manager in the Limited Liabile Company, rather than the company and the partners and others upon committing any violation against the law provisions and its pursuance regulations, concerning company's establishment contract and its system, as stipulated in Article (61) of the Jordanian Companies Law.

The possibility of such error by others is almost non-existent in the Jordanian Companies Law provisions, as according to this Law the Limited Liability Companies are not permitted to use the name of one of the partners as a title.

As this responsibility concern the public system within all laws, so it is not permitted accord in exempting it, the wisdom from that is protecting others whom ignorant the dealing method with the Limited Liability Company as a result for not mentioning what indicate for that in the company title, as companies managers are subject to penalty despite the company's announcement procedures was by them, that because the legislator assumed the non-knowledge of the company type by who dealt with the company and his goodwill, and neglecting to review the publicized data is not evidence of bad faith (Al-Khouly, 1969).

Also, it's not observed for any possibility of personal and joint liability if the company use a title that not indicate the name of one or all partners, as the title is derived from company purpose, so in this case, the possibility of others mistake in company type will be rare, that's what adopt by the Jordanian legislation.

IV. SECOND SECTION THE FORMATION OF LIMITED LIABILITY COMPANY

Article (582) of the Jordanian Civil Law defines "The Company" as: "A contract between two or more individuals that obliged each of them to contribute while investing project by share of finance or performing, and sharing what may result from profits or losses."

By a careful reading for the previous Article and other Articles related to the company contract formation that it is within the Jordanian Civil Law, which is the Companies Law reference, it is concluded that the formation of the Limited Liability Companies has subjected by Jordanian legislator in the Companies Law with objective and formative conditions, that cannot be violated, as a severe penalty for violating these conditions has imposed by the Jordanian legislator.

If the Jordanian legislator considers the company as a contract between partners, but in the meanwhile, he acknowledged by the term "The company" in other sense rather than contract, which is the legal form resulted from this contract, because the contract concept accommodates all the legal effects resulted by company formation, even though the company is a contract but it is a different type of other contracts, as the impact of such a contract is not bordering the rights and obligations within the liability limit of its extremities, rather result from it a legal form independent of partners' personalities, this form (The Company) has a self-standing entity, eligibility, and independent financial account (Shafiq, 1957)

All companies after registration will earn a legal personality, except the undisclosed partnership company due to its special nature, this was stipulated by Article (4) of the Jordanian Companies Law: "Companies incorporation will be in the Kingdom and it will be registered according to this law. Each company after its incorporation and registration with this method shall be considered as a legal firm holding a Jordanian nationality and its head office must be in the Kingdom."

Oftentimes, Limited Liability Company established directly and could be established by converting the company type to another type, as switching a joint liability company or a joint-stock company into a Limited Liability Company. Both Jordanian and Egyptian legislation adopted this direction based on what espoused by the French legislation concerning the matter of converting companies in the French Companies Law, issued in (1966),

in Articles f(236) to (238) (Mehrez, 2004). The formation of the limited liability company contract is subject to the same general objective conditions and the special conditions that applied to all other commercial companies.

I- The First Requirement : The General Objective Conditions for Establishing a Limited Liability Company:

With regards to the general objective conditions, which are fundamental for the Limited Liability Company contract validity, and prescribed by all laws, are summed up by satisfaction status, that must be present at the contractors, besides, the contract must be defect less and eligibility for contracting, in addition to the legality of the company objective.

Meant by the satisfaction, each expression of volition formulated in affirmative and acceptance form, provided that, acceptance being in terms of company contract condition, i.e. company type, its capital, purpose, and each partner share value. (Sanhoury, 1962).

The Jordanian legislator organized the satisfaction provisions in the Jordanian Civil Law in Article (90) and beyond Article, followed by addressing the satisfaction defects within the same law, so that the Jordanian Companies Law applied all the provisions related to the general objective conditions in the Jordanian Civil Law, therefore the satisfaction condition in the company's contract is subject to the general rules so that If the partners ' satisfaction or part of them distorted by spoiler defects such as mistaken, coercion or fraud, the contract shall be considered voidable for whom distorted their satisfaction due to spoiler defect or he is permissible to revoke the contract, as well as, the case of mistaken in the partner's personality, is permissible for the affected partner to request for annulling the contract, where the partners sign such companies contracts based on the personal considerations and trust between partners.

It is also noted, that the Jordanian legislator in term of eligibility provisions has equalized between the eligibility of acting civil conducting and the eligibility of acting commercial conducting, as he did not address the commercial eligibility within the special provisions of the Jordanian Trade Law and the Jordanian Companies Law, and this is why the general rules have been used in the law Jordanian civil.

Therefore, the partner must be possessed by the necessary legal eligibility to conduct these actions, In other words, the concerned person must reach a certain age of the age that's determined by the legislation of the country in which the trade takes place, and he shall not be suffered from any symptoms, that distort or deprives him of his eligibility, such as insanity, foolishness, and dementia, due to that, the minor who has not attained the age of eighteen and the like is not permissible to be a party to the company's contract, due to the eligibility symptoms, or else the contract is void or suspended depending on whether it is distinct or not.

II- Eventually, it needs to point out that the company contract similar to other contracts, in terms it must be for a specific objective, possible, legitimate, and viable. The objective or the subject of the company contract is the purpose that the company aims to achieve, which is the implementation of the economic project and for which the company was formed so that the purpose must be legitimate, possible and available or viable, therefore the subject/objective should be components of the company's contract must be present and included in the concept of dealing, and to be specified and within the company ownership, even if the shareholding is a performance then this action must be legitimate and possible and subject to financial evaluation, so the reason of partner's commitment

to the Limited Liability Company must be legal as long he deals with the company objective/subject, of the company, if the company objective/subject is illegal, so the partner's commitment to share is also illegal, the invalidity of sharing due to the invalidity of the company itself. (Mehrez, 2004)

The Second Requirement : The special Objective Conditions for Establishing a Limited Liability Company:

Within some of the Laws that are regulating the Limited Liability Company, such the Egyptian law, we find that it mentioned special provisions that shall be present in the Limited Liability Company, these provisions concern the company activity and the number of company partners, while the Jordanian legislator has added an objective and formality elements for establishing a Limited Liability Company in terms of partners shares distributing, and financing a percentage of the company establishment capital, as stipulated in Article (59), Paragraph (B) of the Jordanian Companies Law, "The partners shall submit documents proving that not less than (50%) of the company's capital has paid. "

As well as, Article (57), paragraphs (a) and (b) of the same law stipulated that registration application for the Limited Liability Company shall be submitted to the companies controller, attached with company establishment contract and its internal system, by forms notarized for this purpose, in which contain company name, its objectives, partners names, partners nationality, company capital, partners share value therein and indicating the in-kind shares in the capital, and the name of the partner who provides it, and its estimated value.

Concluded from that, The Limited Liability Company establishment contract must be written on the forms notarized for this purpose, and the establishment contract must be signed by the partners in front of the General Companies Controller or whom the controller authorized in writing.

These data are essential, as it must be indicated in the company's contract and the company internal system, the purpose of this indication is to define the objective of each company and avoiding the occurrence of confusion, fraud, rigging, or fraudulent acts by other companies, accordingly, the company that is established to act a specific commercial activity, its activity is limited to act this task, and it is not permissible to invest its assets, or share it in an activity that deviates from its purpose and objective stipulated in the establishment contract and in which registered in the Companies Control Department.

Noted from foregoing, regarding the Limited Liability Company establishment system, despite that the Jordanian legislator stipulated that both the incorporation contract and the internal system of the Limited Liability Company must be written, he adopts the actual company theory that determined the effect of nullity resulting from not writing the company contract, as Article (584) stipulates in the first paragraph of the Jordanian Civil Law that the company contract must be written, if not, the logical result is invalidity, this is confirmed by the Jordanian Companies Law provisions, which are stipulated in Articles (11,13,14), as it states that failure to adhere to the registration and publication procedures stipulated does not affect the actual existence of this company and therefore liability toward others remains valid.(Ugaili 0.2016)

Consequently, there will be no Limited Liability Company unless the partners consider the legal principles according to law's provisions and the regulations that govern such type of company particularly.

Third Section Responsibility of the Authorized Signatory in the Limited Liability Company

To address the theme of the responsibilities of the authorized signatory in the Limited Liability Company, a distinction must first be made between the responsibility of company partners and the responsibility of the director and the directors' board, then specifying the responsibility of the Authorizer as a company partner or from others, therefore, this section will be divided into three requirements, as in the first requirement will search in the responsibility of the company partners, while the second requirement will focus in the director and directors' board responsibility, lastly, the third requirement will cover the topic of responsibility of the authorized signatory in the Limited Liability Company.

I- The First Requirement : Partners responsibility in the Limited Liability Company

The modern legislations embarked in involved by defining and regulating companies affairs, contrary to the general principle, that adopts the principle of contract freedom which leaves partners the freedom to define their terms and desires in the contract, the role and extent of the legislator interfere by peremptory provisions is differs if it is people companies or joint-stock companies, therefore, the Responsibility varies with the type of company (Mehrez, 1987).

Partners responsibility in the Limited Liability Company is limited to the amount of their contribution to the capital and does not exceed that, as stipulated by Article (53 / A) of the Jordanian Companies Law, therefore, company creditors guarantees of the are limited to the value of partners contribution, and not extend to the partners 'private funds, as result of that, the partner does not acquire Trader's title, in which this trait is limited to the company as it is a legal entity independent of partners personality.

As the partner in the Limited Liability Company does not acquire the trader's title, as this titleholder considered as a professional trader, therefore, the employees who are prohibited from doing business due to their jobs, are permissible to enter as partners in the Limited Liability Companies, because the professionalism in the commercial business is prohibitive, not the individual business, even some legislators adopt that participation in the Limited Liability Company is not considered a commercial business, rather a civil business, as the partner's responsibility therein is limited to the value of his stake, while the commercial business includes speculation and absolute responsibility.

As the partner in Limited Liability Company is liable to the company's obligations only to the extent of the value of his stake, therefore, the legislator did not permit the companies controller to finalize the company registration procedures and announce about company formation unless partners provide banking documents and other related documents, that proves that not less than (50%) Of the company's capital has been paid and the rest of the capital is divided into two equal installments to be paid within two years from the date of the company registration, as stipulated in Article (59), Paragraph (b) of the Jordanian Companies Law.

The foregoing is to protect the company's creditors, whom their guarantee is limited to the company's funds, from a shortage of this guarantee due to insolvency or bankruptcy that may occur to the partner after the company incorporation, in event of a percentage of his share value has not been paid.

As addressed previously, that partner limited liability is one of the characteristics that differentiate the Limited Liability Company than the joint persons' companies in which the joint partner held personally and jointly

responsible for the company's obligations within all of his assets, also this limited responsibility is what brings the Limited Liability Company closer to the joint-stock company.

Partner limited liability in such company is the cause of naming of " Limited Liability Company", whereas this is an incorrect name because the company's liability toward its obligations is not limited but includes all of the company assets while the partner's responsibility is limited to his share value (Al-Aqili, 2016), therefore should not be confused between company's responsibility and partners responsibility, especially when one of the partners is authorized signatory, his responsibility becomes an unlimited liability include all of his funds.

According to the Jordanian Cassation Court diligences in terms of partner liability in the limited liability company, it turns out from the discriminatory decision No. (1705/2005 / dated 11/5/2006), that the partner who has paid his full stake value in the Limited Liability Company is not an adversary to its creditors, as the company is considered the adversary to the creditors, while the partner who has not paid his contribution in the company entirely or partially is an opponent to the creditors within the limits of the residual value from his contribution.

As a result of all mentioned, Limited Liability Company has an important role in maintaining the individual projects by continuing to carry out the activity if the owners face a circumstances prevented them from continuing in manage the company , and as like of their death or sickness, so if the project owner dies and his heirs are performing a professions that are legally inconsistent with commercial occupations, as if they were employees, so that the heirs in this case can pursuit the activity of their legacy by establishing a Limited Liability Company among them, and the share of each of them will be as much as his inheritance share and they will entrust their management to a manager who has experience in managing the Limited Liability Company, so the heirs practicing for a jobs that conflicts with the trade profession are not prevent from involving in a Limited Liability Company as long as their participation as partners in the company does not lead to acquire the title of Trader, and this is confirmed by the Court of Jordan Discrimination issued a decision on (8/10/2001 bearing the number 1902/2001).

Despite the advantages of the Limited Liability Company in terms of partners limited responsibility, it is defected by not having a strong credit within the commercial environment, which is due to the limited liability of the partners and the lack of capital, which does not achieve the sufficient security for the company creditors, versa for the joint-persons companies, where the partners' responsibility is joint, personal and unlimited.

Based on foregoing, certain procedures have been followed for announcing the Limited Liability Company, which aims to alert the others that they are dealing with a company in which the partners are only obliged within the limits of their stakes, also, special regulations have been established concern the administration and for the supervision to ensure partners not risking by the creditors 'credit due to their limited responsibility, such as preventing them from involving by insurance or banking business or investing funds for others (Al-Aqili, 2016), as Article (93) of the Jordanian Companies Law not permitting other than public shareholding companies to involve in banking, financial investment companies, and the various activities of insurance.

II- The Second Requirement: Director and Directors' Board Responsibility.

The Jordanian legislator has relied upon simplicity and flexibility concerning the special provisions related to the Limited Liability Company management, the simplicity in the procedures applied in Limited Liability Company management can be felt in the text of Article (60) of the same law, whereas the legislator permit the

company to be managed by assigning one director only, as this person manages the company exclusively, as the lonely owner for the company capital, and he becomes catchment for the various authorities accordingly.

This is in contrast to the public shareholding company, in which its administration should be entrusted to a council consisting of some members or to several councils defined with high and minimum members, where the minimum members limit not less than three members (Yamalki, 2006). In which most of the laws adopt the above, such as the Lebanese law, where also the Jordanian legislator and Syrian and Kuwaiti law are in line with the Lebanese law.

By reviewing the laws which regulated the Limited Liability Company, it is observed that there is an administrative structure consisting of the director or directors and the General Assembly that includes all partners and one or more auditors for company accounts purposes, also the Jordanian legislator has determined the management period by four years to prevent the founders from controlling the company management when they select the managers within the establishment contract, the law also required that managers be appointed within the company's system, taking into consideration the minimum and the maximum members of the board of directors, as stipulated in Article (60) of the same law.

Therefore, the Jordanian legislator granted the majority of the partners that possess (75%) of the capital shares represented in the meeting the authority to dismiss the director or directors or part of them by a decision from the company's general assembly based on a compelling reason for dismissal, where the director of the Limited Liability Company has the full authority in the company management within the limits that stipulated company law, accordingly, the director shall have the authority to carry out all that concern company affairs, whether it is an administrative act in the full sense of the word, or it is operational acts.

Besides these authorities, the legislator imposed the director a set of positive and negative duties and obliged him to apply it, and held him the responsibility in the event of a violation, the forefront of these positive duties that the director must perform, is describing himself as a waged agent, and pledge to exert effort and attention to ensure that the objective for which the company was established are fulfilled according to the general rules of the wage agency as the provisions of Article (841/1) of the Jordanian Civil Law.

Also, the Egyptian legislator defined the director's authority, as Article (121) of the Egyptian Companies Law stipulated that the company's directors shall have full authority on its behalf unless the company's establishment memorandum provides otherwise.

The Emirati legislator adopts the same rule in his law, as Article (237) of the United Arab law Emirates explicitly stipulated that the director of the company upon its contract that does not determine the manager's authority, has the full authority to manage it and that his actions are binding on the company as long as it is accompanied with the job description which he deals.

According to the foregoing, the director has the freehand to take whatever decisions and conduct any actions he pleases, as long as these actions/decisions are within the company's jurisdiction and benefit and within the scope of its objectives.

Following to the above, the director has the authority to perform all actions of selling, mortgages, or bank loans for the company benefit, as well as, the director represents the company in the courts.

According to the foregoing, the Limited Liability Company director considered as its legal representative who carries out the management and performs all the actions that this administration requires by the company

commercial name and within the limits of his granted authority by the terms of the contract and system, therefore, when the director conducts any act, he shall mention the position in which he performs, to let others know that he is acting in behalf of and for the account of the company, and this is stipulated in Article (60) paragraph (C) of the Jordanian Companies Law by that the company is obligated to deal with others in good faith, regardless any restriction in the company's system or in its establishment contract, the Cassation Court in its decision endorsed what was stipulated in the mentioned Article, as the court ruled by; " By benefited from (Article 8 / B) of the new essential system of the privileged company permits the board of directors or the general director to undertake the warranties, accordingly, and after amending the contract of the claimant company, the privilege behavior (The Director) in confirming and reinforcing the warranty, shall be considered binding and enforceable to the guarantor company, and obliges the claimant to fulfill the warranty and its terms, as the director conduct was built on the subsequent permission, therefore, the reasons mentioned in the lawsuit are necessitating to be ignored, However, by referring to Article (60) paragraphs (b/c) of the Jordanian Companies Law, the privilege signed the warranty on behalf of the company and based on his position as company general director, thus, the defendant bank is not binding to verify the authorization restrictions of the authorized signatory whether he is the director or from the board of directors of the company, and that actions of company director and the delegator are binding for the company, regardless of any restriction stipulated in company establishment contract, and the disposals from Others (Bank / The defendant) considered as good-faith unless proven otherwise (**Decision of Rights No. 2011/2005 issued by the Jordanian Cassation Court on 11/17/2005**)

Good faith is assumed in this clause by clear and express statement unless the contrary is proven, such third party is not obligated to verify the existence of any restrictions on the director's authority, and this is what was confirmed by the discriminatory decision (No. 3040/2012 on 3/28/2013).

Consequently, the director in the limited liability company is liable to others for each violation of the companies law, for example, if a director who runs a limited liability company under liquidation prevents the liquidator from performing the task entrusted to him, therefore he bears liability towards others for violating the companies law and preventing the liquidator takes over the company operation, as confirmed by Article (841) of the Jordanian Civil Law.

While, the French legislator has facilitated the director with a wide range of authority, and the restrictions stipulated in the company's contract has no effects with his relationship with others, whether the director's authorities have been publicized or not unless the partners prove the others aware about his exceeding for the limits of his powers, and the company always has the right to refer to the offending partner (**Qalioubi, 2016**).

III- The Third Requirement: The Responsibility of the Authorized Signatory in the Limited Liability Company.

By reviewing the Jordanian Companies Law, there is no mention for the responsibility of the authorized signatory, as the Jordanian legislator did not address this topic within the provisions of Article (53), hence a Juristic controversy erupted between the Jurists of law regarding the definition of this responsibility, and the decisions of the Court of Cassation in this regard caused the escalation of this dispute, the observer of these decisions over the various years will notice that the Jordanian Court of Cassation has deviated from its course regarding the responsibility of the authorized signatory, this deviated has formed a gap between the law texts and the decisions

made by the courts especially as we are facing various jurisprudence by the same court ,with the assertion that judicial diligences are reference sources for commercial laws in the absence of official stipulates in-laws, consequently, the judiciary in all means is not permissible to perform in legislative roles, otherwise, he created a law for himself.

As all provisions that regulated the Limited Liability Company did not address generally the responsibility of the authorized partner and by referring to the Article (76) of the Jordanian Companies Law, which ordains to apply the provisions related to the public joint-stock company on to the limited liability company in all that was not mentioned by explicit in the related provisions of the Limited Liability Company, therefore the court has the right to apply the two clauses of Article (57/1) with regards to the responsibility of the authorized partner, but while this application is not in line with Article (53 / A / B) of the same law, which ordains that the financial liability of the company is independent of the financial liability for partners, and the company with its assets and funds is responsible for the debts and obligations, and the partner shall be liable for those debts and liabilities and losses within only his ownership share in the capital.

This is what adopt by the Jordanian Cassation Court by its previous overall decisions, as it acted within the scope of Article (53 / A) provisions, which includes not obligating the authorized signatories except for the value of their ownership in the capital, whether they are partners or other, and accordingly, The Jordanian Cassation Court in its penal capacity by its decision No. (603/2004) dated (11/5/2004) has passed by that the Jordanian Companies Law has determined the responsibility of the authorized signatory in the limited liability company for company debts and the obligations incurred by him to the extent of his share in company capital, so if the defendant is a partner with limited liability in the defendant company, he will be considered a non-binding for the value of the claimed personal right except within the limits of his share, and that's what it confirmed many of the decisions of the Court of Cassation of Jordan.

Another decision of the Jordanian Cassation Court in its penal capacity, ruled by "With reference to Article (50) of the Jordanian Civil Law, which deals with commercial and civil companies as legal persons, accordingly, the capital of the Limited Liability Company is originally partners contributions, and its financial liability is independent form the financial liability of the partners, as the company with its assets and funds responsible for the debts and obligations arising therefrom, and the partner is not liable for those debts except within the limits of his share... "

However, the Financial independence between the company and the partner is if the partner reimbursement his share of the company's capital. In this case, any quarrel must be directed to the company, but if the partner does not reimburse his share, the partner's quarreling is within the limits of his share in the capital, If the partner covered his share, he will not be an opponent against company creditors, and the litigation is directed to the company directly, but if he does not pay it in whole or in part, he will be an opponent to the limit of his share in the capital.

It is noticed that all the decisions of the Jordanian Cassation Court that previewed previously, whether by its legal or penal capacity, have confirmed the limited liability of the authorized partner in the Limited Liability Company as long as the company practices its business within the limits of laws and regulations, and if there is no legal reason that makes the partners responsible for the obligations of the company, as a result, Article (53) of the Companies Law keep the partners in immune from company obligations.

According to the provisions of Article (60) of the Jordanian Companies Law, the director of the company and the directors' board therein, have full authority in company management within the limits defined by its internal system, and any actions and performance carried out by the director or the directors' board in behalf of the company, the company is binding on it in front of others who deal with the company in good faith regardless of any restriction stipulated in the company's articles of association or establishment contract.

This means that the Limited Liability Company may entrust with only one director by the capacity of an authorized partner or non-authorized partner or from non-partners, and if the company shareholder one person only, which is permitted by the Jordanian Companies Law as addressed above, and this person managing the company alone, as he is the only owner of the company's capital and the company only component, thus, he becomes the exclusive full controller for the company, as well as the only owner for the various authorities of the company, and the only responsible to take various decisions in it, without opposing or even discussed by any.

Therefore, it is permissible for those who are lonely owning the company capital and carrying out company management alone, to entrust company management to another person/ persons under his control and without auditor /auditors supervision, and the owner has the sole right to elect them and determine their fees, this what stipulated in Article (192) of the Jordanian Companies Law, and also this can give wide scope for the possibility of collusion between the owner and auditors to hide information and manipulate accounts, and thus cover company violations.

However, by observing the path of the diligences of the Jordanian courts in term of the responsibility of the authorized signatory partner, it will be noticed that there is a shift in this path, as when reviewing recent judicial rulings that concern the topic of the liability of the authorized signatory partner at the Limited Liability Company, we will find out a decision issued by the tax court based on the provisions of the Articles (39,40,41) of the Income Tax Law No. (28) of (2009), that the General Director of Tax Department has recently made decisions stipulating by reserving that private funds for Limited Liability Company partners (in event the company has not paid the tax obligations), and since each partner will gain a percentage of profit similar the loss percentage that he will bear, including the liquidation profits and losses according to an agreed percentage that specified in the company's contract, and if the contract does not stipulate this percentage, the profits and losses shall be distributed in proportion to the share of each of them in the capital and then dividing the remainder of the company's funds and assets among the partners, each according to the proportion of his share in company capital.

Accordingly, it will be clearly shown, by analyzing the judicial decisions, that the tax auditor is the in-charge, and authorizers have no kind of responsibilities toward them, as the law granted the tax auditor the freedom to make all decisions related to his job, therefore, if the responsibility took place to one of the partners, it will be limited to his share only.

By deep read for Article (157 / B) of the Jordanian Companies Law, we observe that the violation or obvious mistake shall be attached to the evidence, and shall be a fraud act and with bad intent, also, it should be handled through the legal stages and with specific conditions, such as the jurisdiction and raising a lawsuit, therefore, it is not permissible to reserve any partner funds without a final court judgment.

In a similar lawsuit, the Tax Department decided, based on a judgment issued by the Tax Court, to reserve the funds of the authorized partner, while the First Instance Court decided to cancel the reservation based on Article (53) of the Jordanian Companies Law, but the Appeal Court contested the First Instance Court judgment, it revoked

the decision issued by First Instance Court and confirmed the legitimacy of the reservation, by referring to Article (157/2) of the Companies Law, as well, the Cassation Court corroborated the decision of the Appeal Court and established the legality of the reservation, and It is worth noting that the Cassation Court has contradicted itself in a similar incident.

Build up from the foregoing, a confusion appears between the company's debts and the responsibility for violating the law, also as the diligence in interpreting the laws, in particular, Article (53) and Article (157) of Companies Law, which led for the presence of many contradict decisions, which the latest was the decision of the Jordanian Cassation Court in the year 2017, as the Jordanian Cassation Court has contradicted all previous decisions, as it decided by " The adhere of appellants to what was stated in Article (53 / A) of the Companies Law in terms of the independence of the company financial liability is confirmed and agreed among the jurisprudence and the judiciary and not a subject of dispute in the lawsuit, and as we are addressing the issue of the authorized signatory responsibility in Limited Liability Company in this lawsuit , not a partner ,in addition, the authorized signatory in the Limited Liability Company is obliged to carry out the tasks entrusted to him under the laws and regulations, therefore he is criminally and civilly responsible for the damage caused for the complainant, and the mentioned text of Article (53) / A) does not make him immune to the commitment to the value of the two check's which are the subject of this lawsuit that regulated by laws and regulations, and regardless any previous diligences, the authorized signatory partner for the Limited Liability Company is civilly and criminally responsible according to the provisions of the law. (Jordan Cassation Court Decision, Rights, No. (837, 2017, the quinquennial authority, 5/5/2017)).

The judgments in concerned the responsibility of the authorized signatory for the Limited Liability Company started to flow, whereby judgments were and remain issued by condemning the authorized signatory and obligate him to bear the company obligations if that exceeds his share in capital, that's in the event, he is a partner, and if the company obligation exceeds his responsibility in case he is not a shareholder, and that is all to protect those dealing with this type of Companies of a weak credit.

The Jordanian Cassation Court, in its latest decision, ruled to condemn the authorized signatory on behalf of the company, as the authorized signatory submitted a service request form to issue "to whom it may concern" certificate from the Ministry of Industry and Trade, and this certificate shows a decision to increase the company's capital..... upon checking the information received to The Anti-Corruption Commission, it was found that the company did not deposit the capital in the bank, also it was concluded that there was no account for the company in the bank at the issuing date of auditor report, therefore the authorized signatory was legally prosecuted, which resulted by convicting the authorized signatory of the company by the charge fraudulent usage with knowing, per the provisions of Jordanian Penal Law. (The decision of the Jordanian Cassation Court, in its capacity as Penal, the quinquennial authority, decision No. (2038/2019), dated (29/9/2019))

Whereas, the Jordanian Cassation Court based on the conviction of the authorized signatory of the Limited Liability Company on its decision No. (837, 2017, the quinquennial authority, dated (5/5/2017)), which was addressed previously.

We conclude that these decisions are in harmonic with the interest of those who deal with this type of company, and that's when those in-charge positions make deals, its value exceeds the actual value of company assets with others, where these deals constitute a threat to the dealer rights, as they are not allowed to claim the partners by

their private funds when the company is unable to fulfill its obligations, as this company will become an evading tool and means of credit trembling that is the core of the commercial activity.

V. “THE CONCLUSION”

The aim of this study is to high light on the legal status of the authorized partner in the Limited Liability Company, after the Jordanian Cassation Court decisions rolled into another path, as it overturned all its previous decisions concerning the responsibility of the authorized partner, which was not carrying out any kind of personal liability toward the authorized signatory, to become personally liable toward the debts and obligations of the Limited Liability Company, and despite the scarcity of legal provisions that govern the topic of this research, however, we quote from the Jordanian Cassation Court judgments regarding this aspect.

Therefore, the first section of this research dealt with the characteristics of the Limited Liability Company, by all it includes of concept and advantages of participating in this company, and the second section scouted the formation of Limited Liability Company, in term of the conditions laid by the legislator in the regulatory laws, while the third section addressed the responsibility of the authorized signatory in this type of companies, whether he is a partner or authorized signatory in terms of his post capacity.

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