

COEUR d'ALENE, THURSDAY, SEPTEMBER 18, 2025 AT 10:00 A.M.

IN THE SUPREME COURT OF THE STATE OF IDAHO

ANNE MARIE BEARDSLEE,)	
)	Docket No. 51543
Plaintiff-Respondent-)	
Cross Appellant,)	
)	
v.)	
)	
RATLIFF FAMILY LLC, No. 1, an Idaho)	
limited liability company; SHERRY MUNDT,)	
LARRY MUNDT, JAMES V. RATLIFF, JR.,)	
and H. LORRAINE RATLIFF,)	
)	
Defendants-Appellants-)	
Cross Respondents.)	

Appeal from the District Court of the First Judicial District, State of Idaho, Kootenai County. Richard S. Christensen, District Judge.

Hawley Troxell Ennis & Hawley LLP, Boise, for Appellants.

John F. Magnuson, Coeur d'Alene, for Respondent.

This appeal arises from the district court's judgment ordering the judicial dissolution of a closely-held limited liability company. Ratliff Family LLC, No. 1 (the "LLC") was formed in 1997 to preserve and maintain a 675-acre working ranch in Kootenai County, Idaho. The LLC's operating agreement provided that no member could seek judicial dissolution. At that time, this waiver was enforceable under the then-applicable Idaho law. In 2020, one of the founding members, Anne Marie Beardslee, brought the underlying suit against the LLC and a number of its members seeking judicial dissolution and winding up of the LLC. The LLC and its managers attempted to enforce the waiver provision of the operating agreement, but the district court rejected that attempt after concluding the current Idaho Uniform Limited Liability Company Act governed the dispute and also prohibited such waivers.

Following a bench trial, the district court ordered judicial dissolution pursuant to Idaho Code section 30-25-701(a)(4)(C)(i), which authorizes such order if "[t]he managers or those members in control of the company . . . [h]ave acted, are acting, or will act in a manner that is illegal or fraudulent." The district court determined that the existing managers were aware of longstanding ordinance violations related to the construction of a cabin on the ranch in 2013 and,

by their reticence to comply with the county code, the managers continued, by way of inaction, to act in a manner that was illegal.

On appeal, the LLC and its managers argues the district court erred by (1) conducting a bench trial on Beardslee's claim for judicial dissolution based on "illegality" when Beardslee contractually waived the claim, did not plead it, and waited over eight years before raising it; (2) finding that the managers of the LLC acted illegally and by ordering dissolution of the LLC on that basis, when the only evidence of "illegality" relied upon was two minor, non-criminal, and long-standing regulatory violations of building and zoning code ordinances; and (3) denying their motion for reconsideration. Beardslee cross-appeals and argues the district court erred by failing to also order judicial dissolution pursuant to Idaho Code section 30-25-701(a)(4)(C)(ii) based on the LLC's oppressive conduct towards her. She further argues that the court erred by denying her motion for entry of judgment, contending the district court's trial decision adjudicated all of the claims in the action.