

SB1710



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB1710

Introduced 2/25/2005, by Sen. Ira I. Silverstein

SYNOPSIS AS INTRODUCED:

805 ILCS 180/30-20

Amends the Limited Liability Company Act. Deletes language providing that a charging order is the exclusive remedy by which a judgment creditor of a member or a transferee may satisfy a judgment out of a debtor's distributional interest in a limited liability company.

LRB094 11365 RXD 42232 b

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Limited Liability Company Act is amended by
5 changing Section 30-20 as follows:

6 (805 ILCS 180/30-20)

7 Sec. 30-20. Rights of creditor.

8 (a) On application by a judgment creditor of a member of a
9 limited liability company or of a member's transferee, a court
10 having jurisdiction may charge the distributional interest of
11 the judgment debtor to satisfy the judgment. The court may
12 appoint a receiver of the share of the distributions due or to
13 become due to the judgment debtor and make all other orders,
14 directions, accounts, and inquiries the judgment debtor might
15 have made or which the circumstances may require to give effect
16 to the charging order.

17 (b) A charging order constitutes a lien on the judgment
18 debtor's distributional interest. The court may order a
19 foreclosure of a lien on a distributional interest subject to
20 the charging order at any time. A purchaser at the foreclosure
21 sale has the rights of a transferee.

22 (c) at any time before foreclosure, a distributional
23 interest in a limited liability company that is charged may be
24 redeemed:

25 (1) by the judgment debtor;

26 (2) with property other than the company's property, by
27 one or more of the other members; or

28 (3) with the company's property, but only if permitted
29 by the operating agreement.

30 (d) This Act does not affect a member's right under
31 exemption laws with respect to the member's distributional
32 interest in a limited liability company.

1 (e) (Blank) ~~This Section provides the exclusive remedy by~~
2 ~~which a judgment creditor of a member or a transferee may~~
3 ~~satisfy a judgment out of the judgment debtor's distributional~~
4 ~~interest in a limited liability company.~~

5 (Source: P.A. 90-424, eff. 1-1-98.)