

SB0213



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0213

Introduced 2/7/2007, by Sen. Ira I. Silverstein

SYNOPSIS AS INTRODUCED:

805 ILCS 180/30-20

Amends the Limited Liability Company Act. Removes language that limits a judgment creditor of a member or a transferee to the exclusive remedy of the listed Section for satisfying a judgment out of the judgment debtor's distributional interest in a limited liability company.

LRB095 07911 LCT 28073 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

1 redeemed:

2 (1) by the judgment debtor;

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

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

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

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

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