

# HB3725



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB3725

Introduced 2/25/2009, by Rep. Sidney H. Mathias

#### SYNOPSIS AS INTRODUCED:

805 ILCS 180/30-20

Amends the Limited Liability Company Act. Eliminates language stating that the specified Section provides the exclusive remedy by which a judgment creditor of a member or a transferee may satisfy a judgment out of the judgment debtor's distributional interest in a limited liability company. Effective immediately.

LRB096 09357 KTG 19514 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.)

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.