

**Sunsets 1/1/2016**

**48-2c-1103 Rights of creditor of member.**

- (1)
  - (a) On application to a court of competent jurisdiction by any judgment creditor of a member or of a member's assignee, the court may charge the interest in the company of the member or assignee with payment of the unsatisfied amount of the judgment plus interest.
  - (b) A court charging the interest of a member or assignee under Subsection (1)(a) may then or later appoint a receiver of the share of distributions due or to become due to the judgment debtor in respect of the interest in the company.
  - (c) A judgment creditor and receiver under this section shall have only the rights of an assignee.
  - (d) A court may make all other orders, directions, accounts, and inquiries a judgment debtor might make or that the circumstances of the case may require.
- (2)
  - (a) A charging order constitutes a lien on the judgment debtor's interest in the company.
  - (b) A court may order a foreclosure of the interest subject to a charging order entered under this section at any time.
  - (c) The purchaser at a foreclosure sale under Subsection (2)(b) has only the rights of an assignee if there are other members in the company.
  - (d) Notwithstanding Subsection (2)(c), if the member whose interest is charged under this section is the sole member of the company when the charging order was entered:
    - (i) the purchaser at a foreclosure sale acquires all rights of the member, including voting rights; and
    - (ii) the member is considered to have consented to the admission of the purchaser as a member of the company.
- (3) Unless otherwise provided in the articles of organization or operating agreement for the company, at any time before foreclosure an interest charged may be redeemed:
  - (a) by the judgment debtor;
  - (b) with property other than company property, by one or more of the other members; or
  - (c) by the company with the consent of all of the members whose interests are not so charged.
- (4) This section does not deprive a member of a right under exemption laws with respect to the member's interest in a company.
- (5) This section provides the exclusive remedy by which a judgment creditor of a member or a member's assignee may satisfy a judgment out of the judgment debtor's interest in a company.
- (6) No creditor of a member shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the company.