

Sunsets 1/1/2016

48-2c-708 Cessation of membership.

- (1) A person who is a member of a company ceases to be a member of the company and the person or the person's successor in interest attains the status of an assignee as set forth in Section 48-2c-1102, upon the occurrence of one or more of the following events:
 - (a) the death of the member, except that the member's personal representative, executor, or administrator may exercise all of the member's rights for the purpose of settling the member's estate, including any power of an assignee and any power the member had under the articles of organization or operating agreement;
 - (b) the incapacity of the member, as defined in Subsection 75-1-201(22), except that the member's guardian or conservator or other legal representative may exercise all of the member's rights for the purpose of administering the member's property, including any power of an assignee and any power the member had under the articles of organization or operating agreement;
 - (c) the member withdraws by voluntary act from the company as provided in Section 48-2c-709;
 - (d) upon the assignment of the member's entire interest in the company;
 - (e) the member is expelled as a member pursuant to Section 48-2c-710; or
 - (f) unless otherwise provided in the operating agreement, or with the written consent of all other members:
 - (i) at the time the member:
 - (A) makes a general assignment for the benefit of creditors;
 - (B) files a voluntary petition in bankruptcy;
 - (C) becomes the subject of an order for relief in bankruptcy proceedings;
 - (D) files a petition or answer seeking for the member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
 - (E) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the member in any proceeding of the nature described in Subsections (1)(f)(i)(A) through (D); or
 - (F) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the member or of all or any substantial part of the member's properties;
 - (ii) 120 days after the commencement of any proceeding against the member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, the proceeding has not been dismissed, or if within 90 days after the appointment without his or her consent or acquiescence of a trustee, receiver, or liquidator of the member or of all or any substantial part of the member's properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any stay, the appointment is not vacated;
 - (iii) in the case of a member that is another limited liability company, the filing of articles of dissolution or the equivalent for that company or the judicial dissolution of that company or the administrative dissolution of that company and the lapse of any period allowed for reinstatement;
 - (iv) in the case of a member that is a corporation, the filing of articles of dissolution or the equivalent for the corporation or the administrative dissolution of the corporation and the lapse of any period allowed for reinstatement; or
 - (v) in the case of a member that is a limited partnership, the dissolution and commencement of winding up of the limited partnership.

- (2) The articles of organization or operating agreement may provide for other events the occurrence of which result in a person's ceasing to be a member of the company.