

AMENDMENTS TO LB 888

Introduced by Lautenbaugh, 18.

1 1. Insert the following new section:

2 Sec. 100. Section 21-2654, Revised Statutes Supplement,
3 2009, is amended to read:

4 21-2654 (1) On application to a court of competent
5 jurisdiction by any judgment creditor of a member or transferee,
6 the court may charge the transferable interest of the judgment
7 debtor in the limited liability company with payment of the
8 unsatisfied amount of the judgment with interest. To the extent of
9 the amounts so charged, the judgment creditor has only the rights
10 of the transferee to receive any distribution to which the judgment
11 debtor would otherwise have been entitled with respect to the
12 interest of the judgment debtor in the limited liability company.

13 (2) A charging order entered pursuant to this section
14 constitutes a lien on the judgment debtor's transferable interest
15 in the limited liability company.

16 (3) To the extent necessary to effectuate the collection
17 of distributions pursuant to a charging order in effect under
18 subsection (1) of this section, the court may (a) appoint a
19 receiver of the distribution subject to the charging order, and the
20 receiver shall have the power to make all inquiries the judgment
21 debtor might have made, and (b) make all other orders necessary to
22 give effect to the charging order.

23 (4) Upon a showing that distributions under a charging

1 order will not pay the judgment debt within a reasonable time, the
2 court may foreclose the lien and order the sale of the transferable
3 interest. The purchaser at the foreclosure sale only obtains the
4 transferable interest and does not become a member of the limited
5 liability company.

6 (5) At any time before completion of the foreclosure sale
7 under subsection (4) of this section, the member or transferee
8 whose transferable interest is subject to a charging order under
9 subsection (1) of this section may extinguish the charging order
10 by satisfying the judgment and filing a certified copy of the
11 satisfaction with the court that issued the charging order.

12 (6) At any time before completion of the foreclosure sale
13 under subsection (4) of this section, a limited liability company
14 or one or more members whose transferable interests are not subject
15 to the charging order may pay to the judgment creditor the full
16 amount due under the judgment and thereby succeed to the rights of
17 the judgment creditor, including the charging order.

18 ~~(3)~~ (7) This section does not deprive any member or
19 transferee of the benefit of any exemption laws applicable to the
20 member's or transferee's interest in the limited liability company.

21 (8) This section provides the exclusive remedy by which a
22 person seeking to enforce a judgment against a member or transferee
23 may, in the capacity of judgment creditor, satisfy the judgment
24 from the judgment debtor's transferable interest.

25 ~~(4)~~ The entry of a charging order pursuant to this
26 section is the exclusive remedy by which a judgment creditor of a
27 member or transferee may satisfy a judgment out of the judgment

1 ~~debtor's interest in the limited liability company.~~

2 ~~(5) No creditor of a member of a limited liability~~
3 ~~company shall have any right to obtain possession of, or otherwise~~
4 ~~exercise legal or equitable remedies with respect to, the property~~
5 ~~of the limited liability company.~~

6 ~~(6) A third party shall not be liable to a judgment~~
7 ~~creditor for distributions made by such third party directly to the~~
8 ~~judgment debtor that were made in good faith at the direction of~~
9 ~~the limited liability company.~~

10 ~~(7) This section applies to all limited liability~~
11 ~~companies authorized under the Limited Liability Company Act.~~

12 2. On page 52, line 25; and page 53, line 6, strike
13 "foreclosure" and insert "completion of the foreclosure sale".

14 3. On page 129, line 25, strike "section" and insert
15 "sections" and after "21-2601" insert "and 21-2654".

16 4. Renumber the remaining sections accordingly.