322C.0502 TRANSFER OF TRANSFERABLE INTEREST.

Subdivision 1. **Transfers.** A transfer, in whole or in part, of a transferable interest:

(1) is permissible;

(2) does not by itself cause a member's dissociation or a dissolution and winding up of the limited liability company's activities; and

(3) subject to section 322C.0504, does not entitle the transferee to:

(i) participate in the management or conduct of the company's activities; or

(ii) except as otherwise provided in subdivision 3, have access to records or other information concerning the company's activities.

Subd. 2. **Transferee right to distributions.** A transferee has the right to receive, in accordance with the transfer, distributions to which the transferor would otherwise be entitled.

Subd. 3. **Transferee right to an account.** In a dissolution and winding up of a limited liability company, a transferee is entitled to an account of the company's transactions only from the date of dissolution.

Subd. 4. **Evidence of interest.** A transferable interest may be evidenced by a certificate of the interest issued by the limited liability company in a record, and, subject to this section, the interest represented by the certificate may be transferred by a transfer of the certificate. Such an interest is not a security, as that term is defined in section 336.8-102, paragraph (a), clause (15), unless the conditions specified in section 336.8-103, paragraph (c), are satisfied.

Subd. 5. **Company notice required.** A limited liability company need not give effect to a transferee's rights under this section until the company has notice of the transfer.

Subd. 6. **Violative transfers ineffective.** A transfer of a transferable interest in violation of a restriction on transfer contained in the operating agreement is ineffective as to a person having notice of the restriction at the time of transfer.

Subd. 7. **Rights retained.** Except as otherwise provided in section 322C.0602, clause (4), item (ii), when a member transfers a transferable interest, the transferor retains the rights of a member other than the interest in distributions transferred and retains all duties and obligations of a member.

Subd. 8. **Transferee liability.** When a member transfers a transferable interest to a person that becomes a member with respect to the transferred interest, the transferee is liable for the member's obligations under sections 322C.0403 and 322C.0406, subdivision 3, known to the transferee when the transferee becomes a member.

History: *2014 c 157 art 1 s 41; 2015 c 39 s 37*