322C.0503 CHARGING ORDER.

Subdivision 1. **Charging order against transferable interest.** On application by a judgment creditor of a member or transferee, a court may enter a charging order against the transferable interest of the judgment debtor for the unsatisfied amount of the judgment. A charging order constitutes a lien on a judgment debtor's transferable interest and requires the limited liability company to pay over to the person to which the charging order was issued any distribution that would otherwise be paid to the judgment debtor.

Subd. 2. **Charging order effectuation.** To the extent necessary to effectuate the collection of distributions pursuant to a charging order in effect under subdivision 1, the court may:

(1) appoint a receiver of the distributions subject to the charging order, with the power to make all inquiries the judgment debtor might have made; and

(2) make all other orders necessary to give effect to the charging order.

Subd. 3. **Foreclosure and sale.** Upon a showing that distributions under a charging order will not pay the judgment debt within a reasonable time, the court may foreclose the lien and order the sale of the transferable interest. The purchaser at the foreclosure sale obtains only the transferable interest, does not thereby become a member, and is subject to section 322C.0502.

Subd. 4. **Extinguishing charging order.** At any time before foreclosure under subdivision 3, the member or transferee whose transferable interest is subject to a charging order under subdivision 1 may extinguish the charging order by satisfying the judgment and filing a certified copy of the satisfaction with the court that issued the charging order.

Subd. 5. **Succession to rights of judgment creditor.** At any time before foreclosure under subdivision 3, a limited liability company or one or more members whose transferable interests are not subject to the charging order may pay to the judgment creditor the full amount due under the judgment and thereby succeed to the rights of the judgment creditor, including the charging order.

Subd. 6. **Exemption laws applicable.** This chapter does not deprive any member or transferee of the benefit of any exemption laws applicable to the member's or transferee's transferable interest.

Subd. 7. **Exclusive remedy.** This section provides the exclusive remedy by which a person seeking to enforce a judgment against a member or transferee may, in the capacity of judgment creditor, satisfy the judgment from the judgment debtor's transferable interest.

History: *2014 c 157 art 1 s 42*