

State of South Dakota

EIGHTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2012

931T0614

HOUSE BILL NO. 1192

Introduced by: Representatives Gosch and Lust and Senator Gray

1 FOR AN ACT ENTITLED, An Act to amend certain limited liability company language.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 47-34A-504 be amended to read as follows:

4 47-34A-504. (a) On application by a judgment creditor of a member of a limited liability
5 company or of a member's transferee, a court having jurisdiction may charge the distributional
6 interest of the judgment debtor to satisfy the judgment.

7 (b) A charging order constitutes a lien on the judgment debtor's distributional interest.

8 (c) A distributional interest in a limited liability company which is charged may be
9 redeemed:

10 (1) By the judgment debtor;

11 (2) With property other than the company's property, by one or more of the other
12 members; or

13 (3) With the company's property, but only if permitted by the operating agreement.

14 (d) This chapter does not affect a member's right under exemption laws with respect to the
15 member's distributional interest in a limited liability company.



1 (e) This section provides the exclusive remedy that a judgment creditor of a member's
2 distributional interest or a member's assignee may use to satisfy a judgment out of the judgment
3 debtor's interest in a limited liability company. No other remedy, including foreclosure on the
4 member's distributional interest or a court order for directions, accounts, and inquiries that the
5 debtor, member might have made, is available to the judgment creditor attempting to satisfy the
6 judgment out of the judgment debtor's interest in the limited liability company.

7 (f) No creditor of a member or a member's assignee has any right to obtain possession of,
8 or otherwise exercise legal or equitable remedies with respect to, the property of the company.

9 (g) This section applies to single member limited liability companies in addition to limited
10 liability companies with more than one member.