

12100873D

SENATE BILL NO. 165

Offered January 11, 2012

Prefiled January 10, 2012

A BILL to amend and reenact § 13.1-1041.1 of the Code of Virginia, relating to charging orders entered against limited liability companies.

Patron—Petersen

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That § 13.1-1041.1 of the Code of Virginia is amended and reenacted as follows:**

§ 13.1-1041.1. Member's transferable interest subject to charging order.

A. On application by a judgment creditor of a member or of a member's assignee, a court having jurisdiction may charge the transferable interest of the judgment debtor to satisfy the judgment. To the extent so charged, the judgment creditor has only the right to receive any distribution or distributions to which the judgment debtor would otherwise have been entitled in respect of the interest.

B. A charging order constitutes a lien on the judgment debtor's transferable interest in the limited liability company.

C. This chapter does not deprive a member or a member's assignee of a right under exemption laws with respect to the judgment debtor's interest in the limited liability company.

D. ~~The entry of a charging order is the exclusive remedy by which a judgment creditor of a member or of a member's assignee may satisfy a judgment out of the judgment debtor's transferable interest in the limited liability company~~ *Notwithstanding subsection A, a charging order entered under this section allows a judgment creditor to directly execute judgment on the assets of the limited liability company when the judgment debtor is the sole member of the limited liability company.*

E. ~~No~~ *Nothing in this section precludes a judgment creditor of a member or a member's assignee shall have any right to obtain possession of, or otherwise exercise from executing judgment upon the membership share of the judgment debtor by any other available legal or equitable remedies with respect to, the property of the limited liability company.*

INTRODUCED

SB165