

AN ACT

ENTITLED, An Act to revise certain provisions related to transferable interests in limited liability partnerships.

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

Section 1. That chapter 48-7A be amended by adding thereto a NEW SECTION to read as follows:

(a) On application by a judgment creditor of a partner in a limited liability partnership or of a partner's transferee, and following notice to the limited liability partnership of the application, a court having jurisdiction may charge the transferable interest of the judgment debtor to satisfy the judgment.

(b) A charging order constitutes a lien on the judgment debtor's transferable interest in the limited liability partnership.

(c) An interest which is charged may be redeemed:

- (1) By the judgment debtor;
- (2) With property other than the limited liability partnership's property, by one or more of the other partners; or
- (3) With the partnership's property, but only if permitted by the partnership agreement.

(d) This chapter does not deprive a partner of a right under exemption laws with respect to the partner's transferable interest in the partnership.

(e) This section provides the exclusive remedy by which a judgment creditor of a partner in a limited liability partnership or partner's transferee may satisfy a judgment out of the judgment debtor's transferable interest in the limited liability partnership. No other remedy, including foreclosure of the partner's transferable interest or a court order for directions, accounts, and inquiries that the debtor partner might have made, is available to the judgment creditor attempting to satisfy

the judgment out of the judgment debtor's interest in the limited liability partnership.

(f) No creditor of a partner in a limited liability partnership, or a partner's assignee, has any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of a limited liability partnership.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1099

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1099

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State