

Cherokee Nation Code Annotated

Title 18: Corporations

Chapter 2: Cherokee Nation Limited Liability Company Act

Article 5: Assignees and Creditors of Member

§ 236. Assignment of membership interest

Cite as: 18 CNCA § 236

A. Unless otherwise provided in an operating agreement:

1. A membership interest is not transferable, except as provided in 18 CNCA § 237; provided, however, that a member may assign a membership interest in whole or in part as set forth in this section;
2. An assignment of a membership interest does not entitle the assignee to participate in the management and affairs of the limited liability company or to become or to exercise any rights or powers of a member;
3. An assignment entitles the assignee to receive any distribution or distributions to which the assignor was entitled to the extent assigned;
4. Unless the assignee of an interest in a limited liability company becomes a member by virtue of that interest, the assignor continues to be a member and to have the power to exercise any rights of a member, unless the assignor is removed as a member either in accordance with the operating agreement or, after having assigned all of the membership interest, by an affirmative vote of the members who have not assigned their interests. The removal of an assignor shall not, by itself, cause the assignee to become a member;
5. Until an assignee of a membership interest becomes a member, the assignee has no liability as a member solely as a result of the assignment; and
6. The assignor of a membership interest is not released from liability as a member solely as a result of the assignment.

B. The operating agreement may provide that a member's interest in a limited liability company may be evidenced by a certificate of membership interest issued by the limited liability company and also may provide for the assignment or transfer of any membership interest represented by such a certificate and may make other provisions with respect to such certificates.

C. Unless otherwise provided in the operating agreement, the pledge of, or granting of a security interest, lien, or other encumbrance in or against any or all of the membership

interest of a member is not an assignment and shall not cause the member to cease to be a member or cease to have the power to exercise any rights or powers of a member.

Historical Data

LA 32-04, eff. July 16, 2004.