

Cherokee Nation Code Annotated

Title 18: Corporations

Chapter 2: Cherokee Nation Limited Liability Company Act

Article 5: Assignees and Creditors of Member

§ 237. Rights of assignees

Cite as: 18 CNCA § 237

A. An assignee of a membership interest may become a member of a limited liability company if and to the extent that the operating agreement provides or the members representing a majority of the capital interests which are not the subject of the assignment consent in writing.

B. An assignee who has become a member, to the extent assigned, has the rights and powers, and is subject to the restrictions and liabilities, of a member under the operating agreement of a limited liability company and this chapter. However, unless otherwise provided in writing in the operating agreement or other written agreement, an assignee who becomes a member also is liable for any obligations of the assignor to make contributions, but the assignee is not obligated for liabilities of which the assignee had no knowledge unknown to the transferee at the time the assignee became a member and which could not be ascertained from a written operating agreement.

C. Whether or not an assignee of a membership interest becomes a member, the assignor is not released from liability to the limited liability company under the operating agreement or this chapter, unless otherwise provided in the operating agreement.

D. Except as otherwise provided in writing in the operating agreement, a member who assigns the member's entire interest in the limited liability company ceases to be a member or to have the power to exercise any rights of a member when any assignee of the interest becomes a member with respect to the assigned interest.

E. Subject to subsection (F) of this section, a person acquiring a limited liability company interest directly from the limited liability company may become a member in a limited liability company upon compliance with the operating agreement or, if the operating agreement does not so provide in writing, upon the written consent of the members.

F. The effective time of admission of a member to a limited liability company shall be the later of:

1. The date the limited liability company is formed; or
2. The time provided in the operating agreement, or if no such time is provided therein, then when the person's admission is reflected in the records of the limited liability company.

Historical Data

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