

January 25, 2017

PROPOSED AMENDMENTS TO SENATE BILL NO. 2223

Page 1, line 3, after "10-32.1-54" insert ", 45-10.2-64"

Page 2, line 16, after "power" insert "in the management and conduct of the activities of the company"

Page 3, line 19, overstrike "foreclosure" and insert immediately thereafter "extinguishment"

Page 4, after line 28, insert:

"SECTION 7. AMENDMENT. Section 45-10.2-64 of the North Dakota Century Code is amended and reenacted as follows:

45-10.2-64. (703) Rights of a creditor of partner or transfereeCharging order.

1. ~~On application to a court of competent jurisdiction by any~~ by a judgment creditor of a partner or of a partner's transferee, the court may charge and following notice to the partnership of the application, a court of competent jurisdiction may enter a charging order against the transferable interest of the judgment debtor with payment of the for the unsatisfied amount of the judgment with interest.
 - a. ~~To the extent so charged, the judgment creditor has only the rights of a transferee.~~
 - b. ~~The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect of the partnership and make all other orders, directions, accounts, and inquiries the judgment debtor might have made or which the circumstances of the case may require to give effect to the charging order.~~
 - e.
2. A charging order constitutes a lien on the transferable interest of the judgment debtor and requires the partnership to pay to the person to which the charging order was issued any distribution that otherwise would be paid to the judgment debtor.
3. The partner or transferee having a transferable interest subject to a charging order may extinguish the charging order by satisfying the judgment and filing a certified copy of the satisfaction with the court that issued the charging order.
4. A partnership or partner having any transferable interest not subject to the charging order may pay the full amount due under the judgment to the judgment creditor and succeed to the rights of the judgment creditor, including the charging order.

- ~~2.5.~~ This chapter does not deprive any partner or transferee of the benefit of any exemption laws applicable to the transferable interest of the partner or transferee.
- ~~3.6.~~ This section provides the exclusive remedy by which a person seeking to enforce a judgment creditor of against a partner or transferee may satisfy, in the capacity of a judgment with request to creditor, the judgment from the transferable interest of the judgment debtor.
- a. No other remedy, including foreclosure of the transferable interest or a court order for directions, accounts, and inquiries the debtor partner may have made, is available to the judgment creditor attempting to satisfy the judgment from the judgment debtor's interest in the partnership.
- b. No creditor of a partner or transferee has a right to obtain possession or otherwise exercise legal or equitable remedies with respect to property of the partnership."

Page 5, line 25, replace "A" with "At any time before extinguishment under subsection 3, a"

Renumber accordingly