

MICHIGAN LIMITED LIABILITY COMPANY ACT (EXCERPT)
Act 23 of 1993

450.4505 Membership interest; assignment; liability of assignee; assignor as member; liability of assignor not released.

Sec. 505. (1) Except as provided in an operating agreement, a membership interest is assignable in whole or in part.

(2) An assignment of a membership interest does not of itself entitle the assignee to participate in the management and affairs of a limited liability company or to become or exercise any rights of a member. An assignment entitles the assignee to receive, to the extent assigned, only the distributions to which the assignor would be entitled.

(3) Unless otherwise provided in an operating agreement and except to the extent assumed by agreement, an assignee has no liability as a member solely as a result of the assignment.

(4) Except as provided in an operating agreement, a member ceases to be a member when the member's entire membership interest is assigned. The assignor is not released from any liability to the company under sections 302 and 308 even if the assignee becomes a member.

History: 1993, Act 23, Eff. June 1, 1993;—Am. 2010, Act 290, Imd. Eff. Dec. 16, 2010.