

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

450.4506 Assignee of membership interest; conditions for membership; rights and powers; liability for obligations of assignor.

Sec. 506.

(1) Unless otherwise provided in an operating agreement, an assignee of a membership interest in a limited liability company that has more than 1 member may become a member only upon a unanimous vote of the members entitled to vote. An assignee of a membership interest in a limited liability company that has 1 member may become a member in accordance with the terms of the agreement between the member and the assignee.

(2) An assignee that becomes a member of a limited liability company has, to the extent assigned, the rights and powers, and is subject to the restrictions and liabilities, of a member under the articles of organization, an operating agreement, and this act. An assignee that becomes a member also is liable for any obligations the assignor has to make contributions and to return distributions under sections 302 and 308(3). An assignee is not obligated for liabilities unknown to the assignee at the time the assignee became a member unless the liabilities are shown on the financial records of the limited liability company.

History: 1993, Act 23, Eff. June 1, 1993 ;-- Am. 1997, Act 52, Imd. Eff. July 1, 1997 ;-- Am. 2002, Act 686, Imd. Eff. Dec. 30, 2002 ;-- Am. 2010, Act 290, Imd. Eff. Dec. 16, 2010